6/17/87 U7475-2A

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

MAY 1987

The May 1987 survey is the 226th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

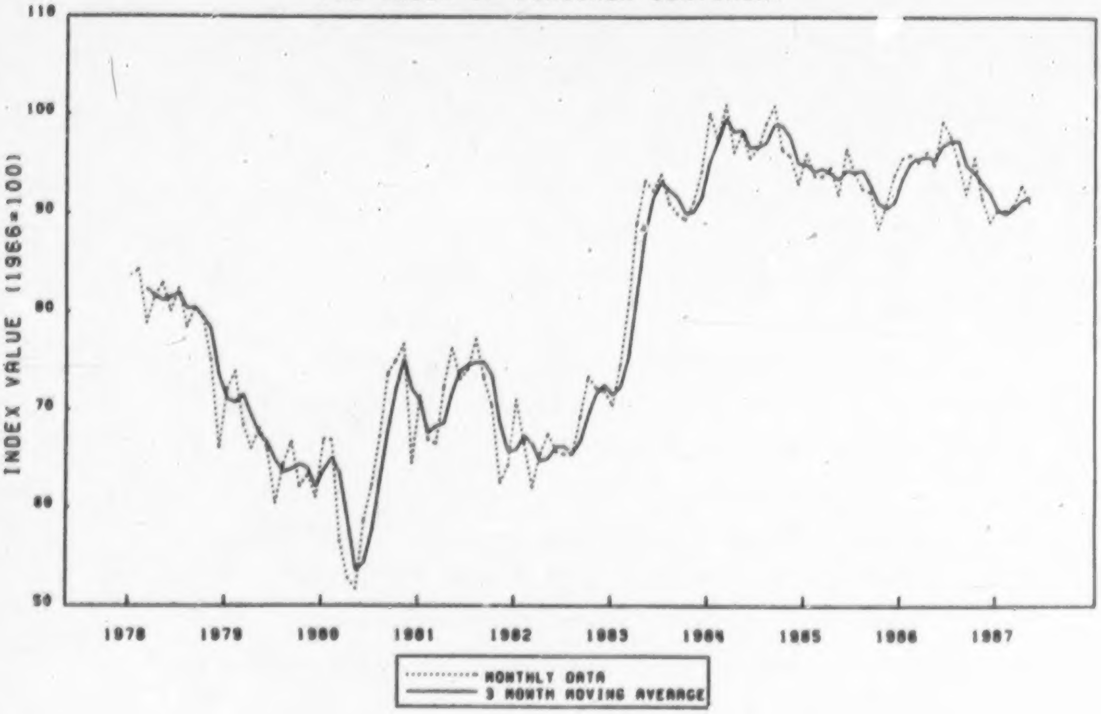


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

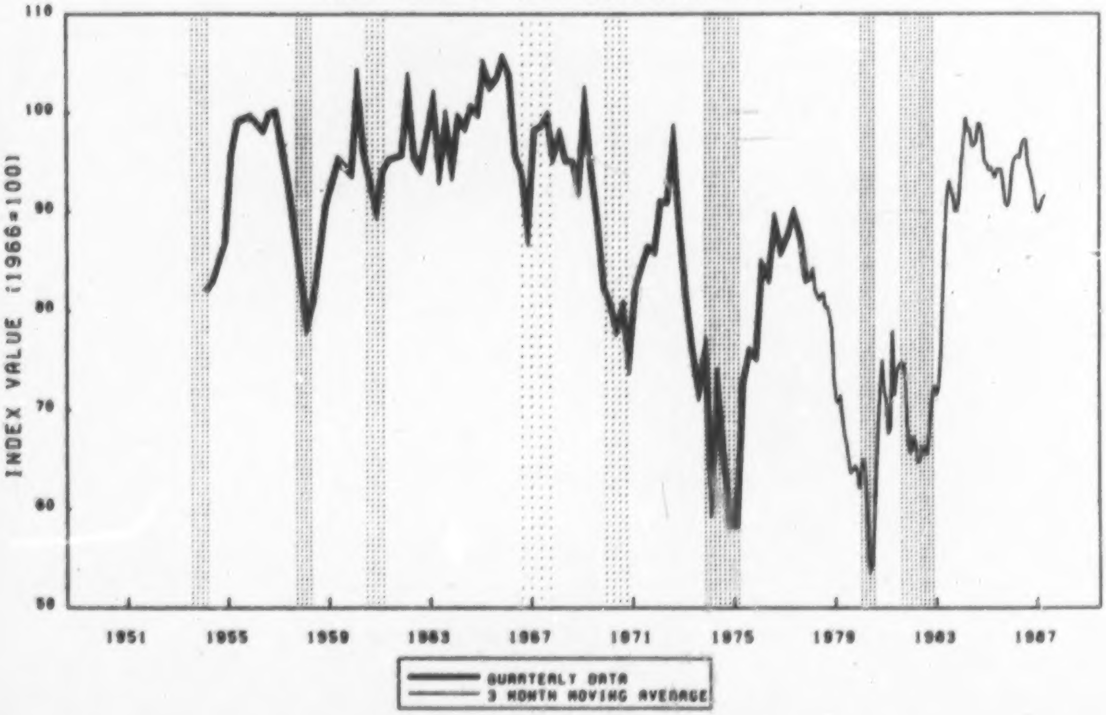


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
May 1984	98.1	107.8	108.9
June 1984	95.5	105.5	108.6
July 1984	96.6	102.7	109.2
August 1984	99.1	113.3	116.4
September 1984	100.9	110.8	112.9
October 1984	96.3	113.5	114.8
November 1984	95.7	112.9	113.6
December 1984	92.9	101.5	101.7
January 1985	96.0	110.2	112.1
February 1985	93.7	113.8	113.8
March 1985	93.7	110.8	114.4
April 1985	94.6	108.9	114.9
May 1985	91.8	105.3	107.7
June 1985	96.5	107.4	110.3
July 1985	94.0	105.2	109.5
August 1985	92.4	106.7	110.2
September 1985	92.1	101.7	104.9
October 1985	88.4	99.6	107.4
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2

TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
May	1984	98.8	96.3	96.5	103.9	107.5	98.8	86.6
June	1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July	1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August	1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

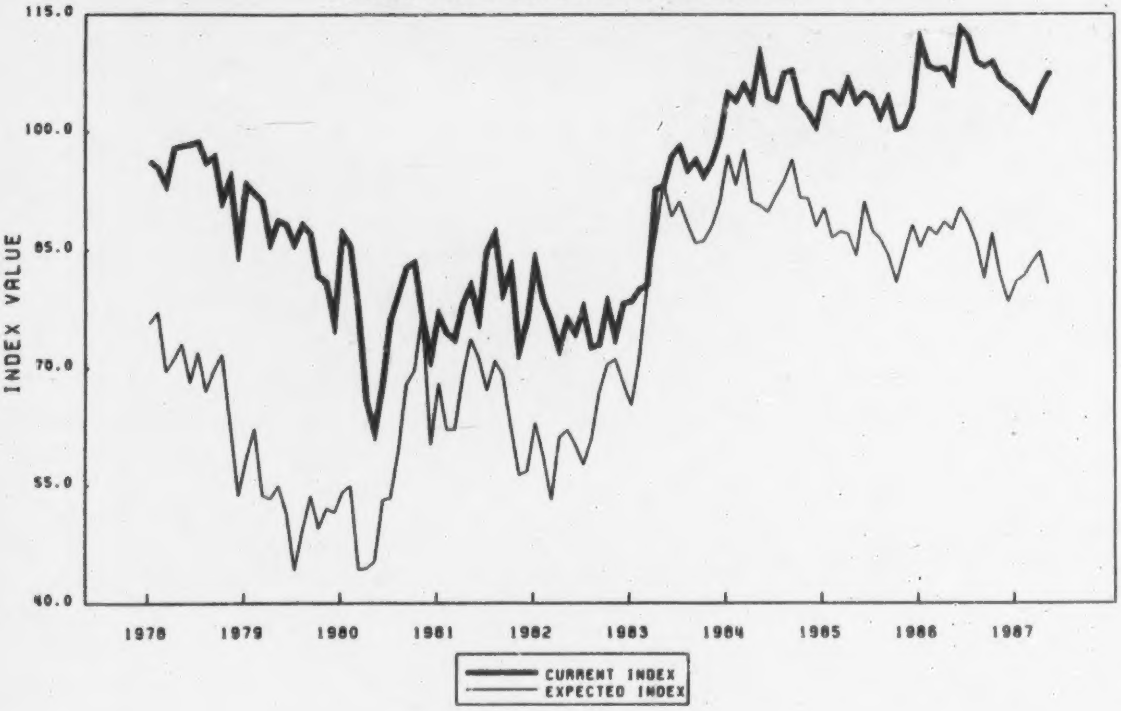


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

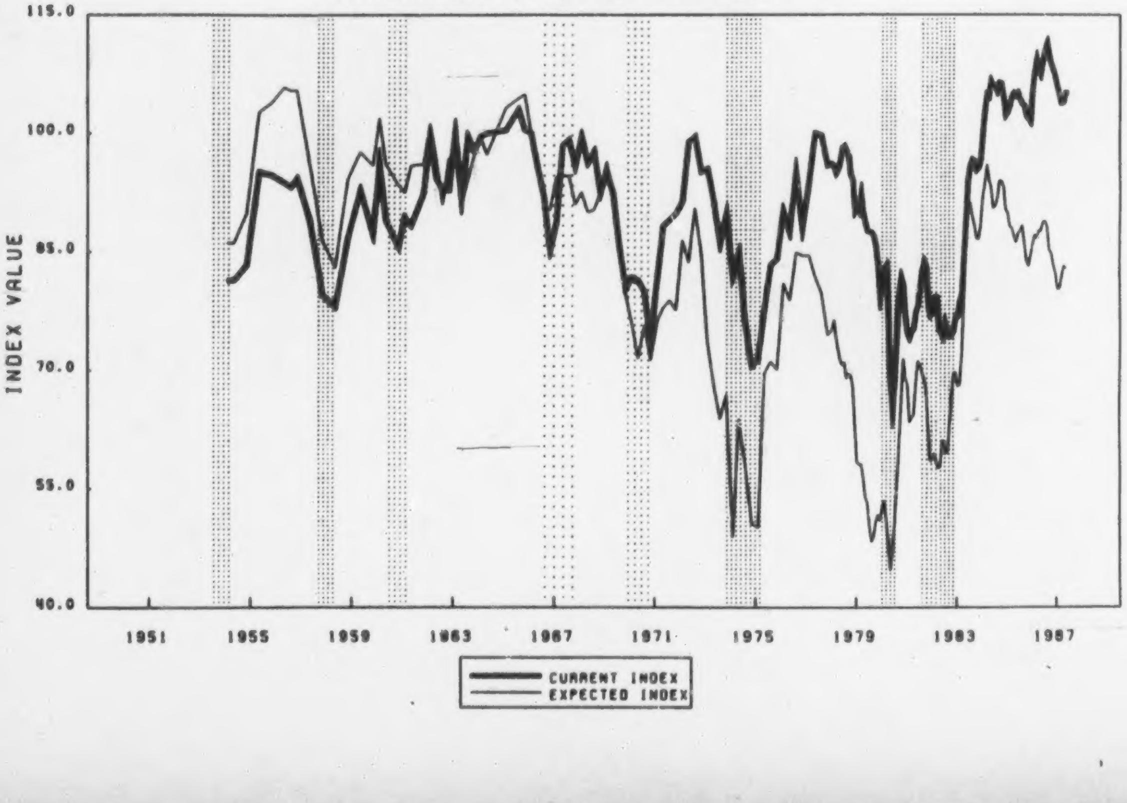


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

		INDEX COMPONENTS +						
		Personal finances		Business conditions				
DATE OF SURVEY		Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
May	1984	121	129	131	105	164	109.8	90.6
June	1984	126	124	131	106	145	104.4	89.8
July	1984	117	124	133	113	152	103.9	91.9
August	1984	125	129	137	111	153	107.5	93.7
September	1984	125	131	142	116	154	107.8	96.4
October	1984	118	127	134	107	150	103.6	91.6
November	1984	121	129	132	107	144	102.4	91.5
December	1984	118	125	131	98	143	100.6	87.9
January	1985	119	124	135	104	153	104.9	90.3
February	1985	115	120	131	96	158	105.1	86.5
March	1985	112	123	133	96	156	103.7	87.3
April	1985	116	127	128	95	161	106.6	87.0
May	1985	116	120	121	97	152	103.7	84.2
June	1985	115	127	133	106	157	104.9	91.1
July	1985	116	124	129	98	154	104.3	87.4
August	1985	112	123	125	99	152	101.8	86.3
September	1985	116	124	118	96	155	104.3	84.2
October	1985	111	123	111	90	148	100.3	80.8
November	1985	111	124	120	96	150	100.7	84.5
December	1985	120	124	127	103	147	103.1	88.1
January	1986	122	123	126	93	168	111.8	85.3
February	1986	117	123	132	98	164	108.4	87.8
March	1986	120	124	129	96	160	107.9	86.9
April	1986	120	128	133	94	160	108.1	88.5
May	1986	117	129	131	92	158	106.2	87.5
June	1986	124	127	136	100	170	113.3	90.3
July	1986	126	130	131	94	165	112.1	88.5
August	1986	121	128	123	94	161	108.9	85.9
September	1986	120	127	115	84	161	108.3	81.3
October	1986	120	127	124	99	162	108.9	87.1
November	1986	121	121	120	87	155	106.7	81.6
December	1986	116	127	104	83	158	105.8	78.3
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

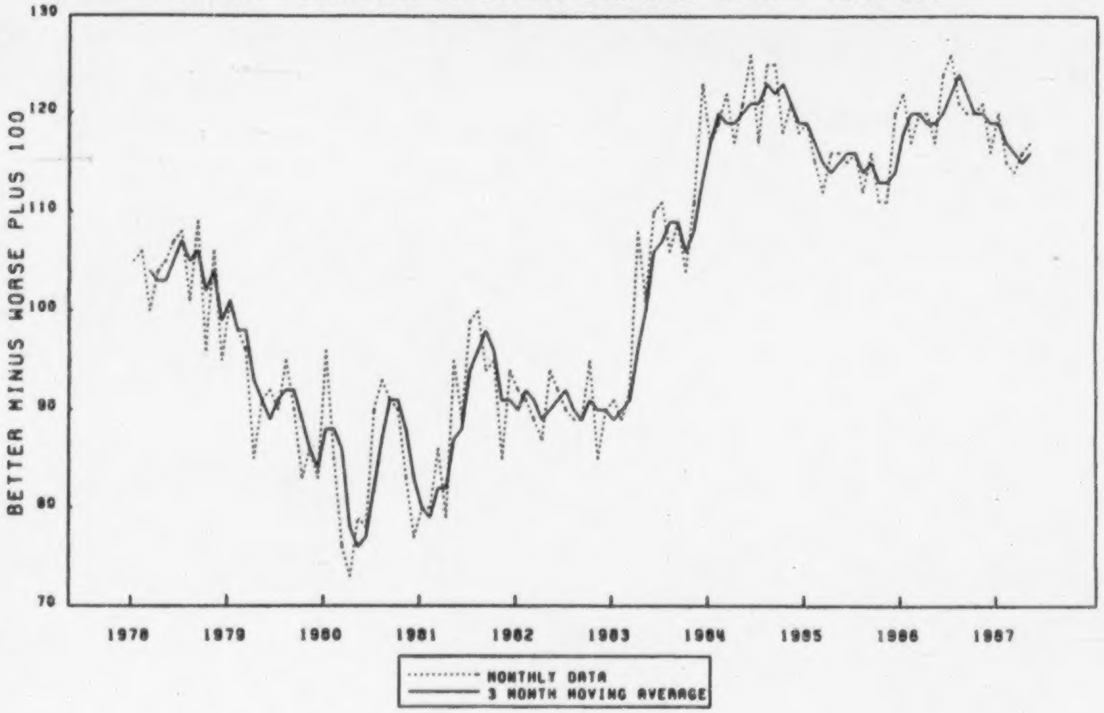


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

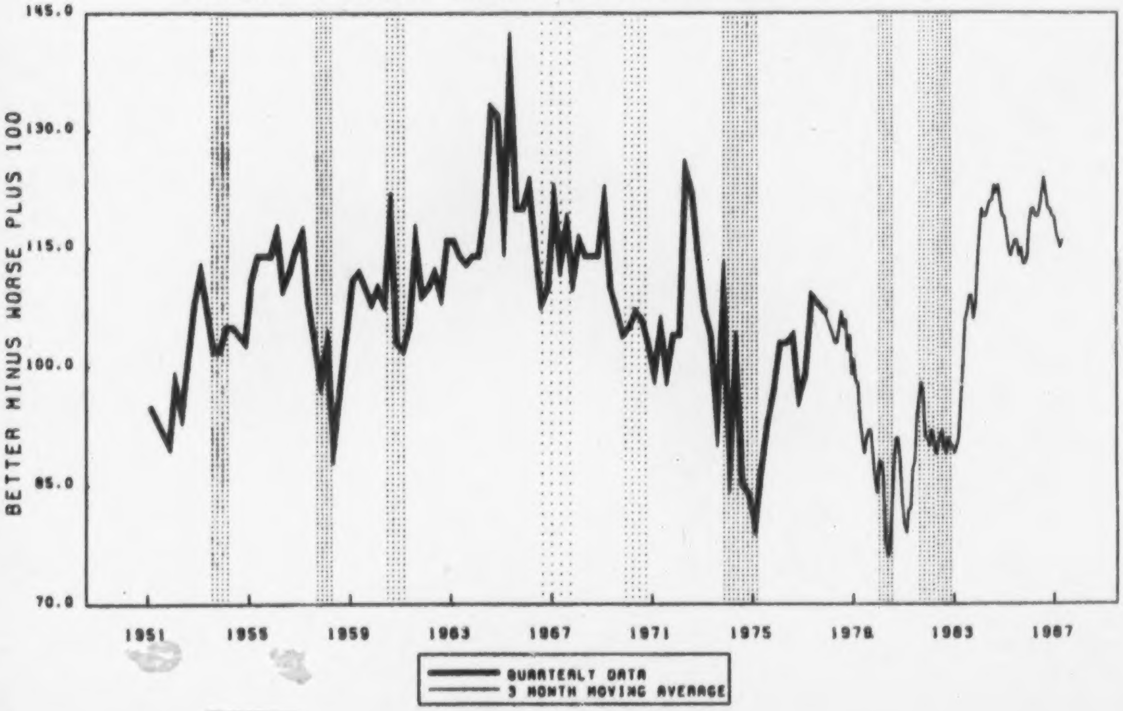


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
BETTER OFF	42%	47%	49%	46%	45%	44%	43%	43%	45%	44%	41%	42%	43%
SAME	33	29	28	28	30	32	35	30	29	27	32	32	31
WORSE OFF	25	23	23	25	25	24	22	27	25	29	27	26	26
DK,NA	*	1	*	1	*	*	*	*	1	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

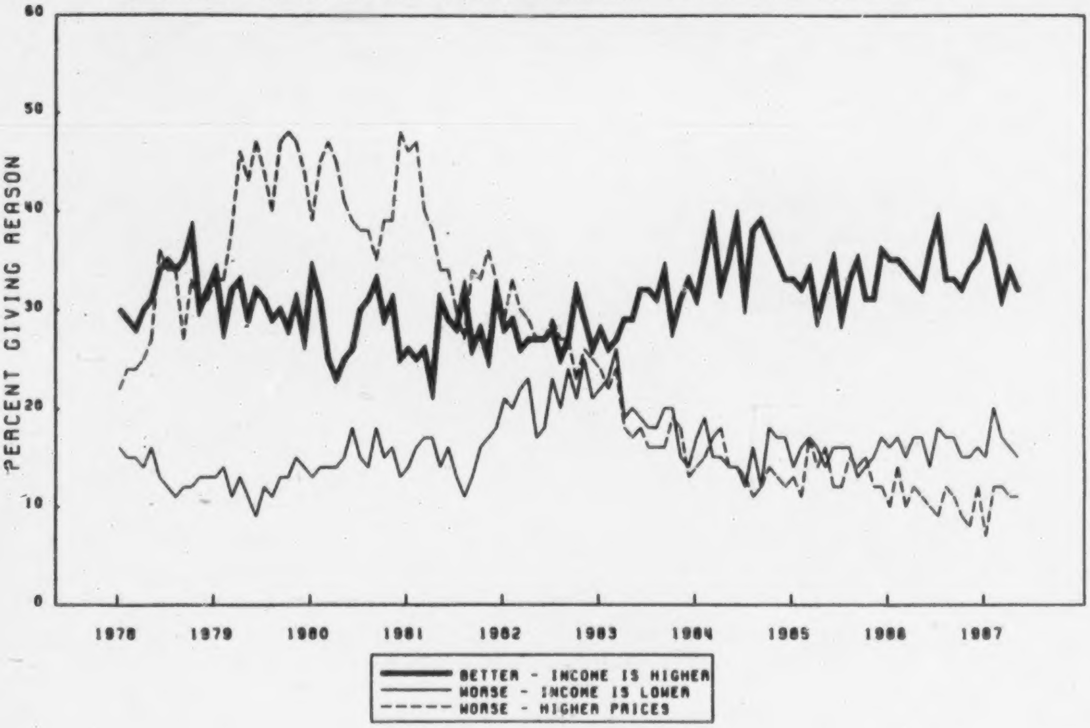


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

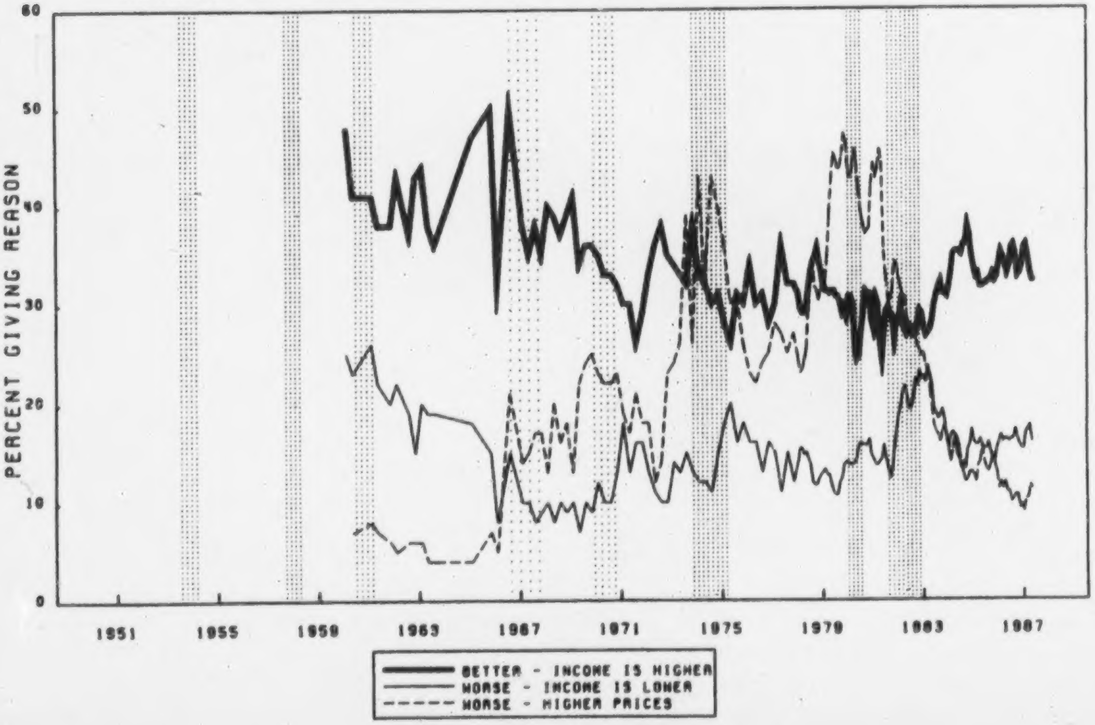


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	32%	36%	39%	33%	33%	32%	34%	35%	38%	35%	31%	34%	32%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	14	18	17	17	15	15	16	15	20	17	16	15
Higher prices	11	10	9	12	11	9	8	12	7	12	12	11	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

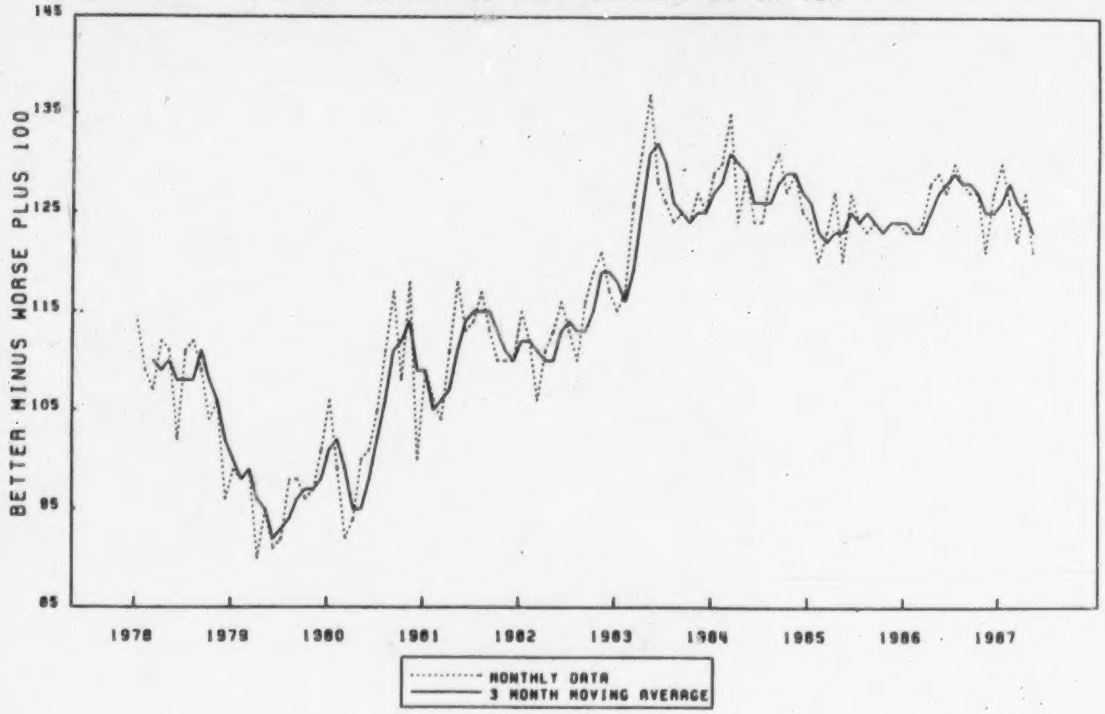


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

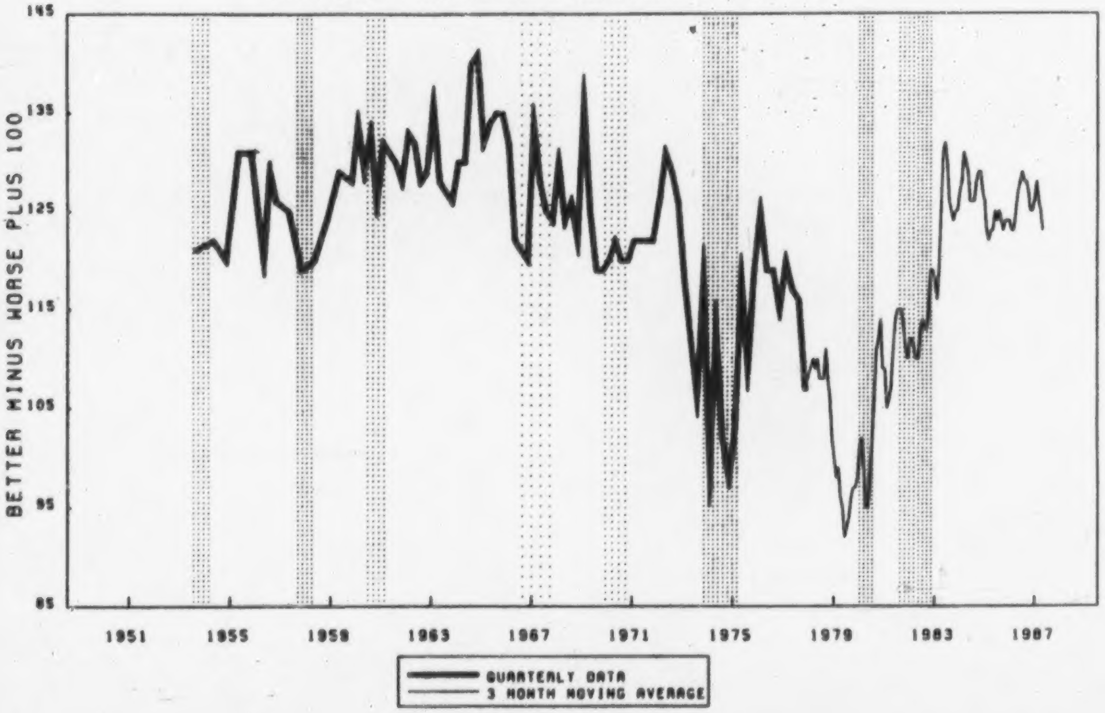


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
BETTER OFF	40%	38%	38%	39%	38%	37%	33%	36%	39%	38%	33%	37%	32%
SAME	47	49	52	48	47	51	52	52	48	48	53	49	54
WORSE OFF	11	11	8	11	11	10	12	9	9	12	11	10	11
DK,NA	2	2	2	2	4	2	3	3	4	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

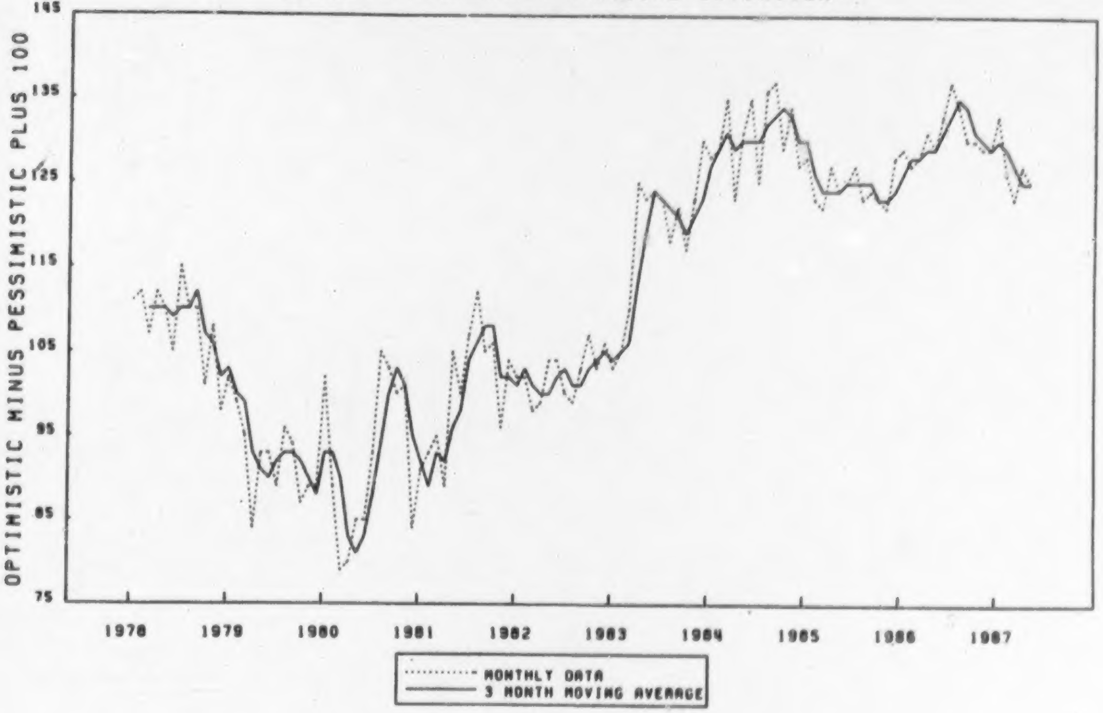


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

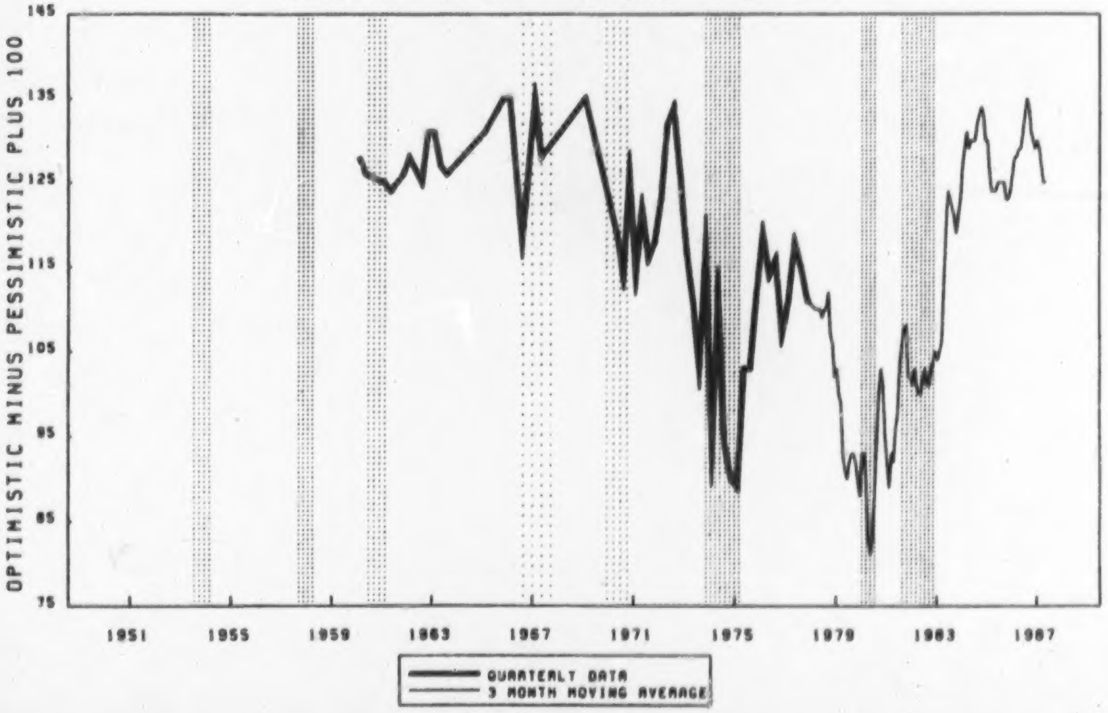


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	22%	23%	21%	21%	22%	18%	18%	22%	22%	19%	19%	17%
Intermittant increase (b)	26	29	29	32	29	27	29	29	28	27	25	28	28
Remain unchanged (c)	19	18	19	15	16	19	22	19	17	15	22	17	20
Intermittant decline (d)	15	14	12	13	15	16	13	14	14	17	16	17	16
Continuous decline (e)	4	4	3	6	5	3	5	4	3	6	5	3	4
Mixed change (f)	11	11	11	11	10	11	10	13	12	11	10	12	12
DK,NA	3	2	3	2	4	2	3	3	4	2	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

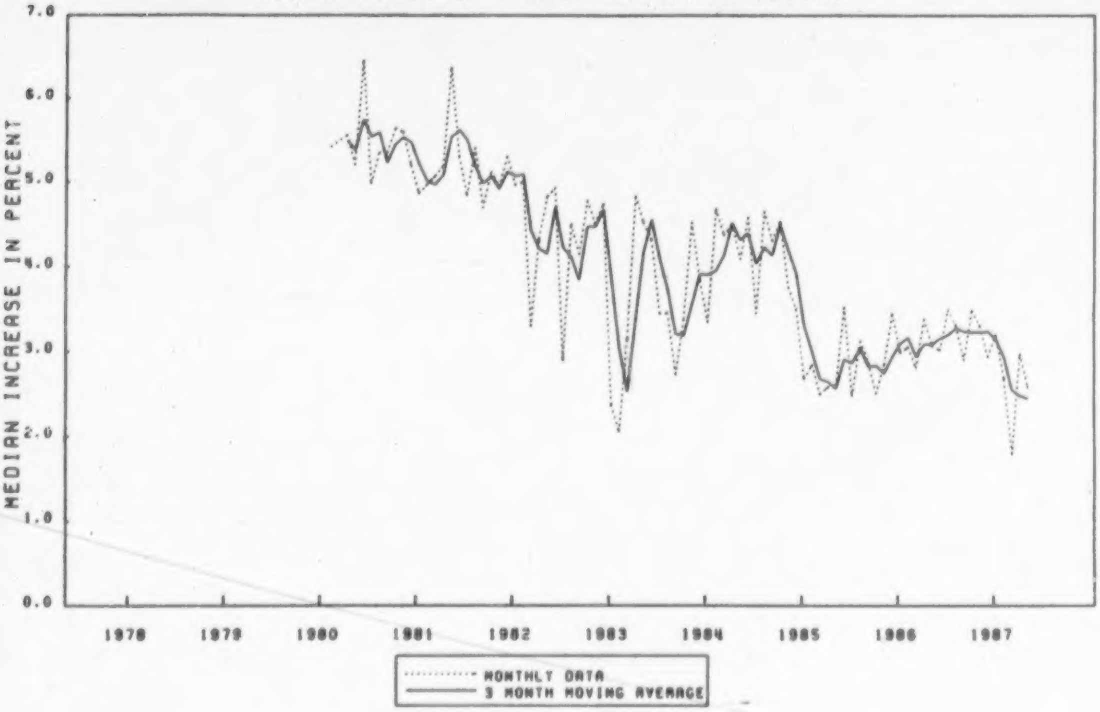


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

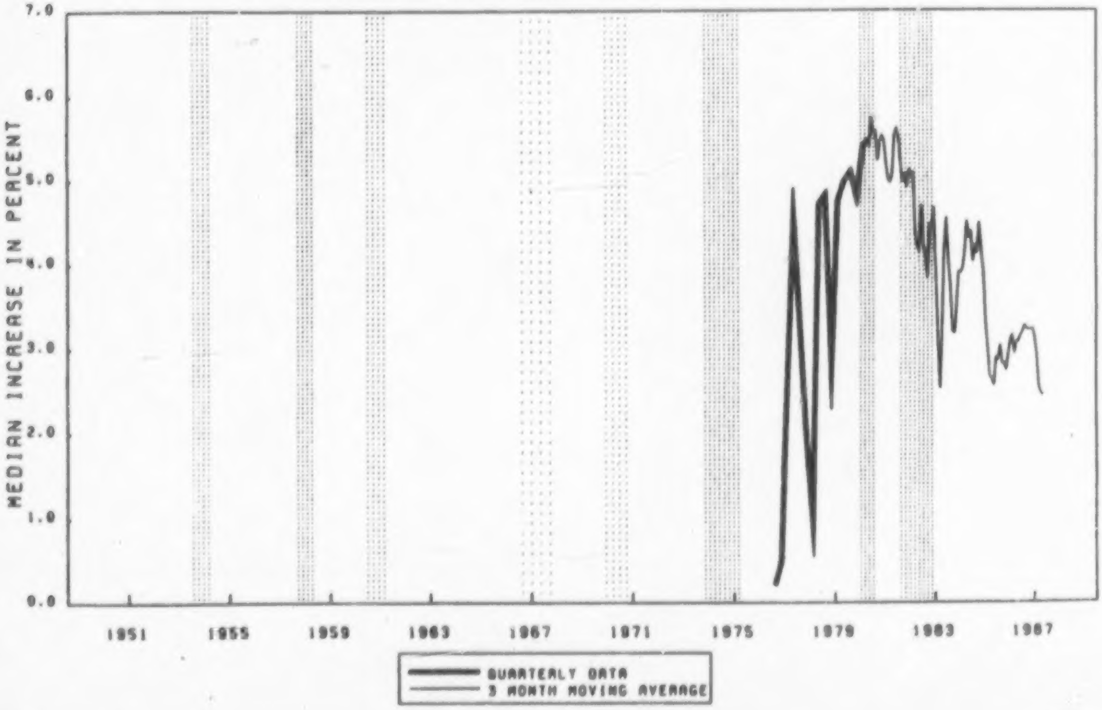


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
EXPECT INCREASE:													
1-4%	16%	15%	15%	16%	16%	14%	17%	18%	16%	15%	17%	15%	18%
5%	9	11	12	11	15	12	13	12	11	12	11	9	9
6-9%	10	8	8	7	7	6	9	8	8	5	7	8	8
10-24%	15	15	17	14	15	19	15	14	17	15	11	19	14
25% or more	6	7	8	9	4	7	6	6	6	6	5	5	6
DK how much up	3	3	4	5	3	3	4	4	4	6	6	4	3
EXPECT SAME	25	25	22	24	26	26	23	26	25	27	28	27	26
EXPECT DOWN	14	14	14	13	13	12	12	12	12	14	15	13	15
DK,NA	2	2	*	1	1	1	1	*	1	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

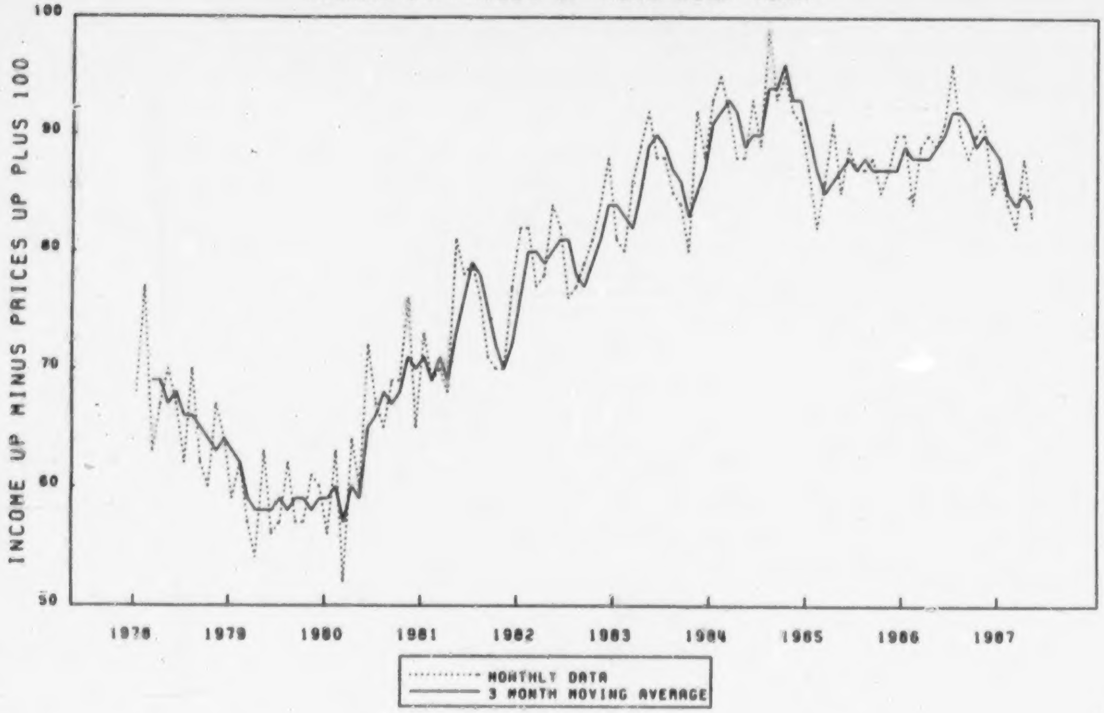


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

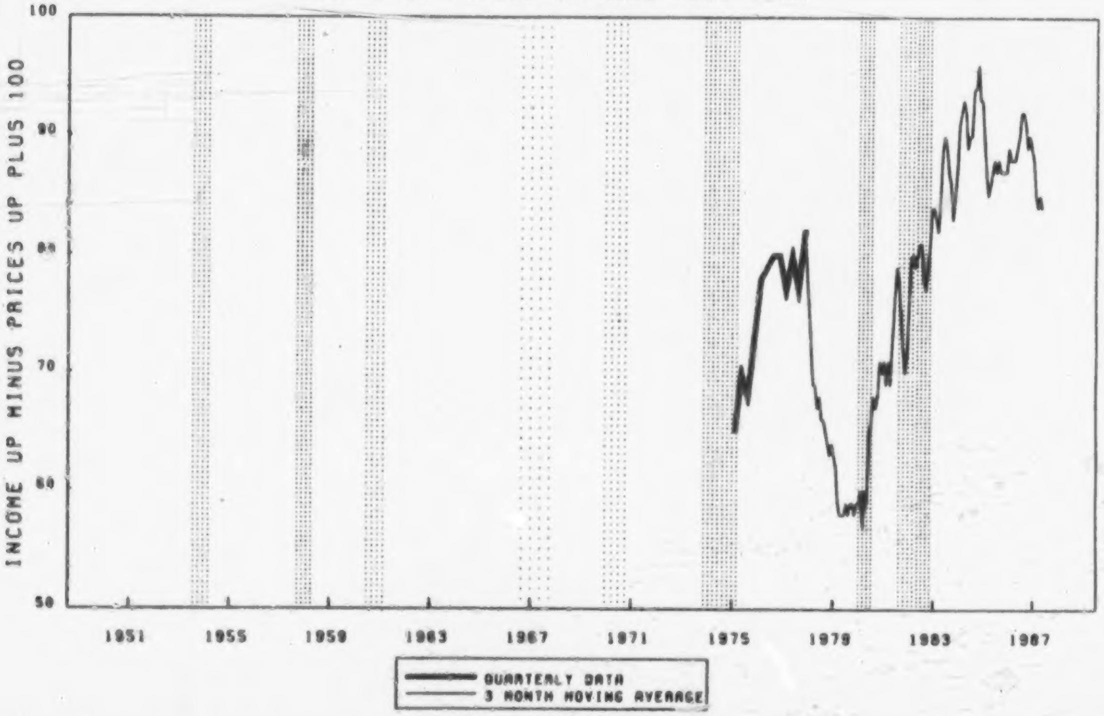


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
INCOME UP MORE	21%	23%	24%	22%	20%	22%	21%	19%	22%	20%	18%	21%	17%
INCOME UP SAME	44	43	47	44	47	45	47	45	41	42	44	44	48
PRICES UP MORE	32	32	28	32	32	32	30	34	35	36	36	33	34
DK,NA	3	2	1	2	1	1	2	2	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

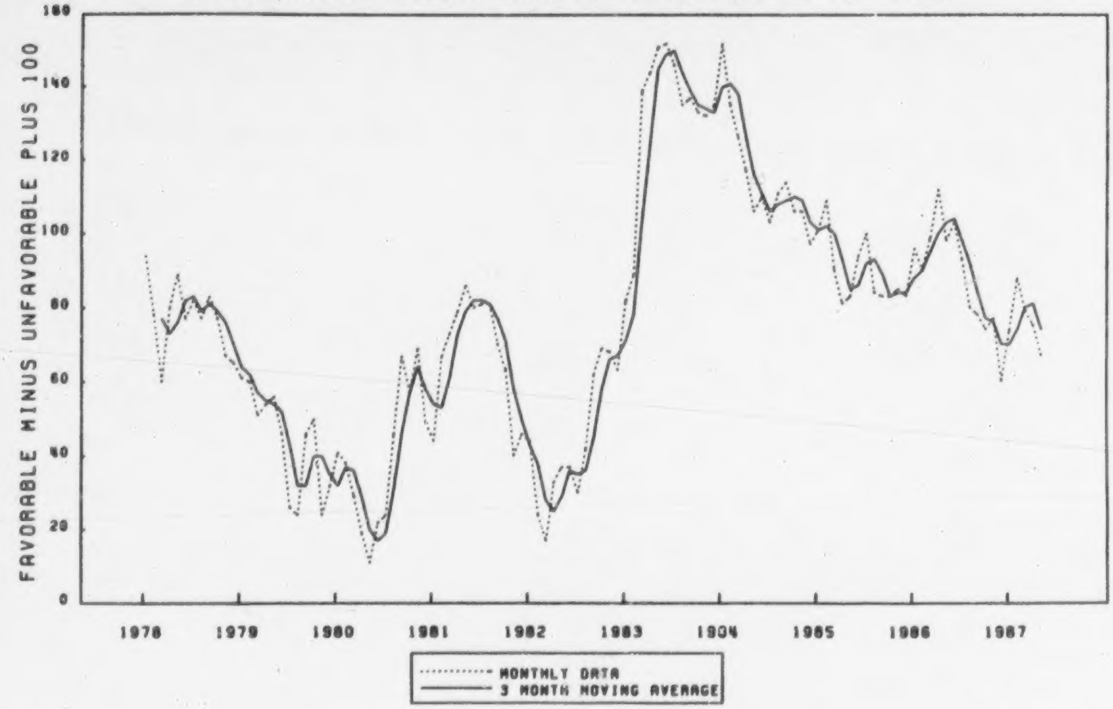


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

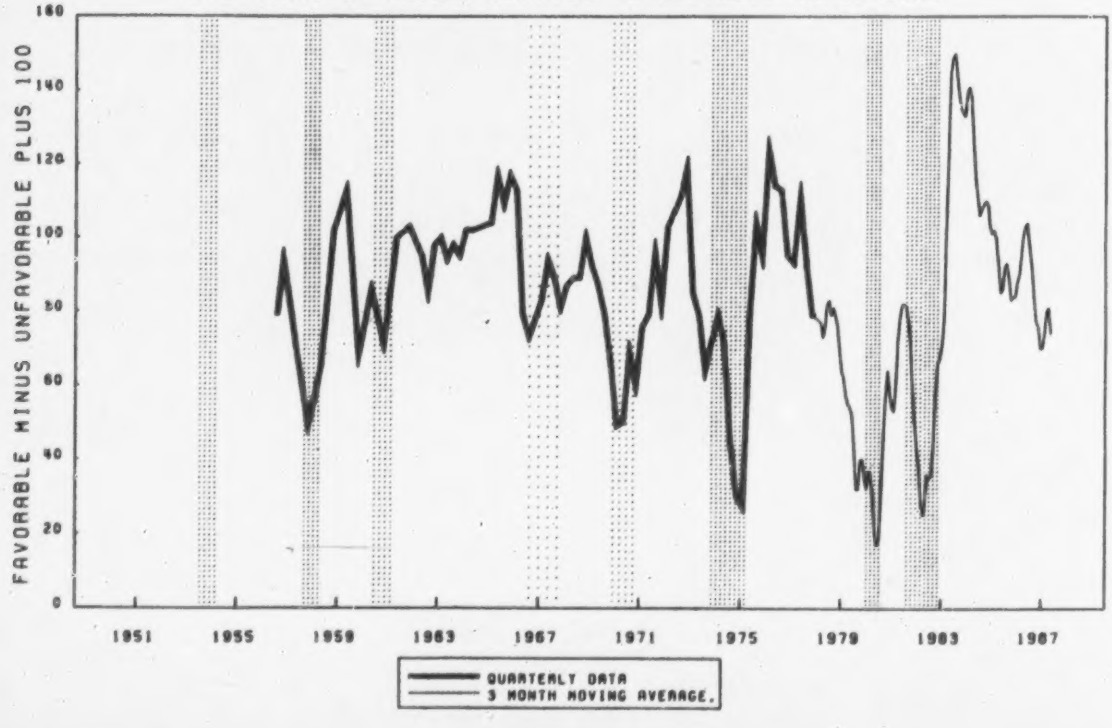


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
FAVORABLE NEWS	42%	42%	37%	33%	29%	26%	30%	22%	26%	36%	27%	27%	26%
UNFAVORABLE NEWS	44	39	44	53	51	52	53	62	52	48	48	52	59
NO MENTIONS	44	46	45	44	49	48	47	44	44	45	49	46	44

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

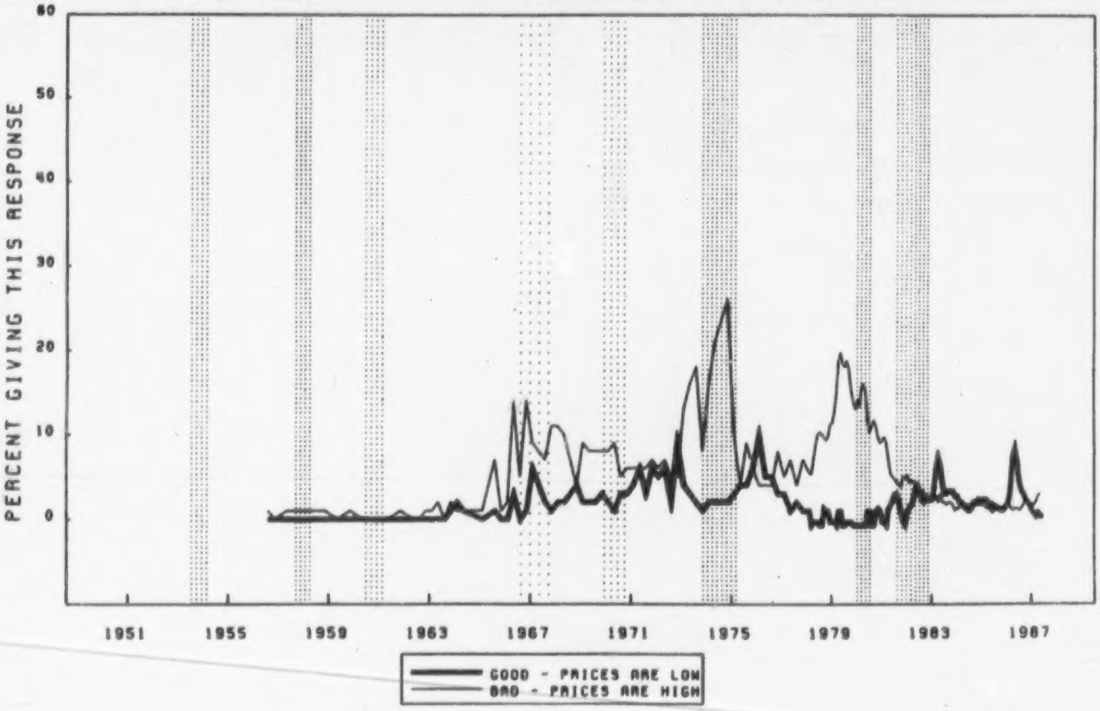


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

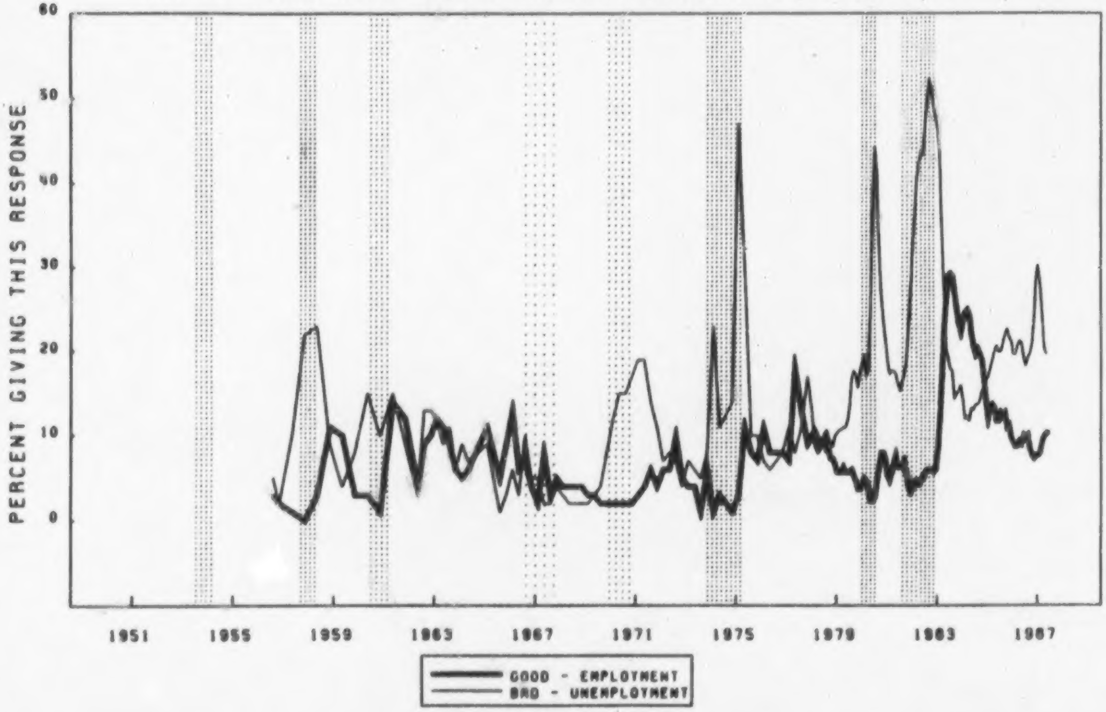


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
FAVORABLE NEWS:													
Government; elections	2%	3%	3%	2%	2%	1%	3%	1%	2%	2%	2%	3%	1%
Employment	9	11	9	10	6	7	9	7	7	10	11	9	11
Higher consumer demand	2	2	1	3	2	3	2	2	3	3	1	1	1
Lower prices	6	3	4	3	2	2	2	1	*	1	*	1	*
Easier credit	11	9	11	7	11	8	5	5	5	6	4	2	3
UNFAVORABLE NEWS:													
Government; elections	3	4	5	5	6	8	6	8	9	5	7	7	7
Unemployment	20	18	19	21	19	23	29	33	29	23	20	18	21
Lower consumer demand	3	2	1	2	1	2	2	4	2	3	2	2	2
Higher prices	2	1	*	3	2	2	1	2	1	2	3	3	3
Tighter credit	1	2	1	1	1	*	1	1	1	1	1	4	6
Energy crisis	1	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

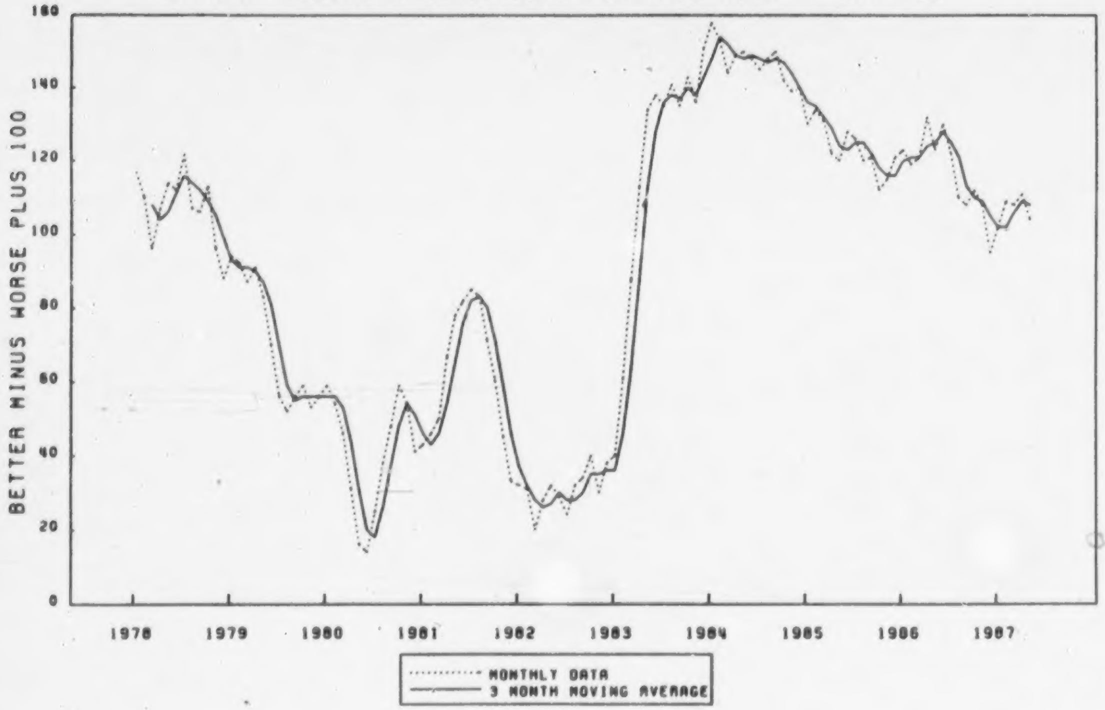


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

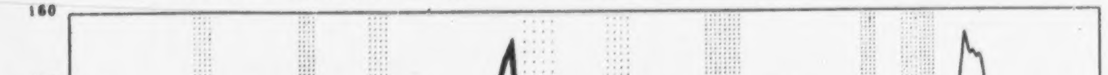


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
BETTER NOW	54%	60%	53%	47%	47%	47%	45%	40%	43%	47%	45%	46%	43%
SAME	13	8	14	14	13	15	16	13	14	14	17	17	16
WORSE NOW	31	30	31	37	39	35	37	45	41	38	37	35	39
DK,NA	2	2	2	2	1	3	2	2	2	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

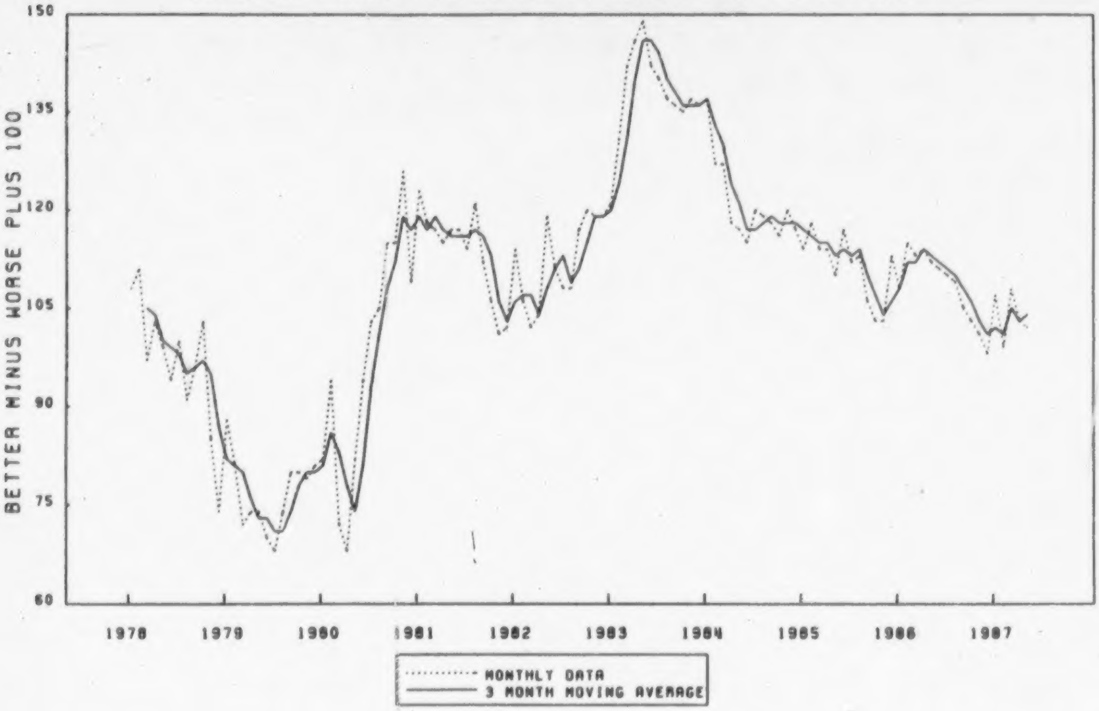


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

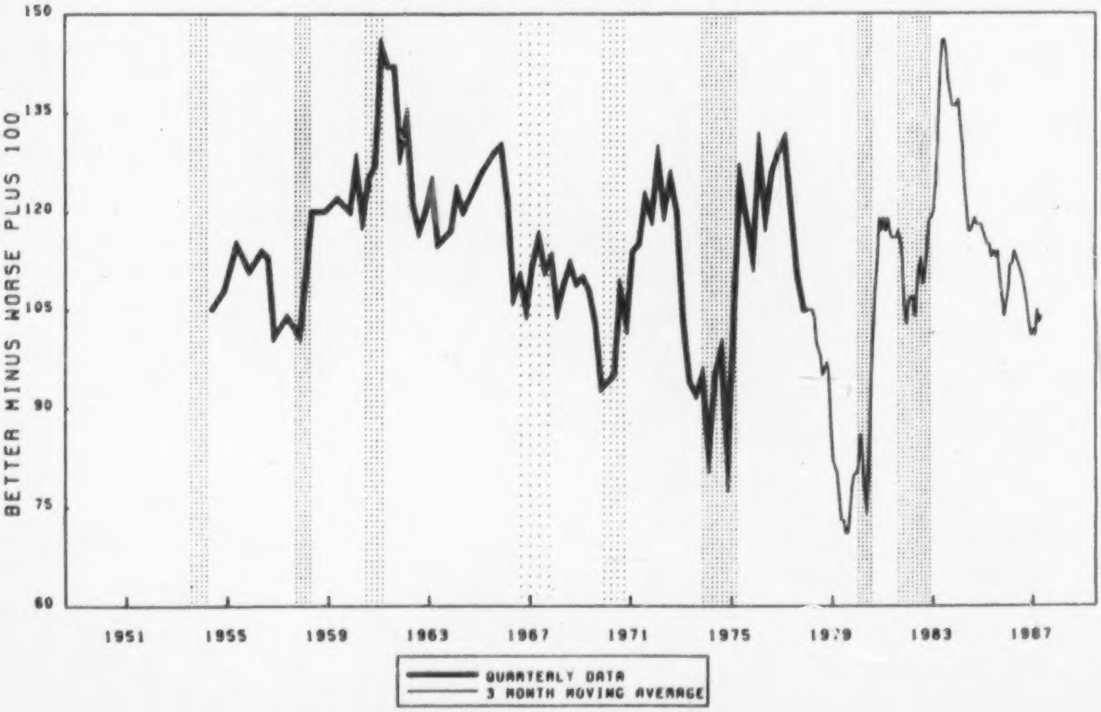


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
BETTER	26%	25%	24%	26%	23%	21%	20%	20%	24%	22%	22%	21%	22%
SAME	57	60	60	56	55	59	59	56	58	54	61	60	57
WORSE	14	14	14	17	18	18	19	22	17	23	14	18	20
DK,NA	3	1	2	1	4	2	2	2	1	1	3	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

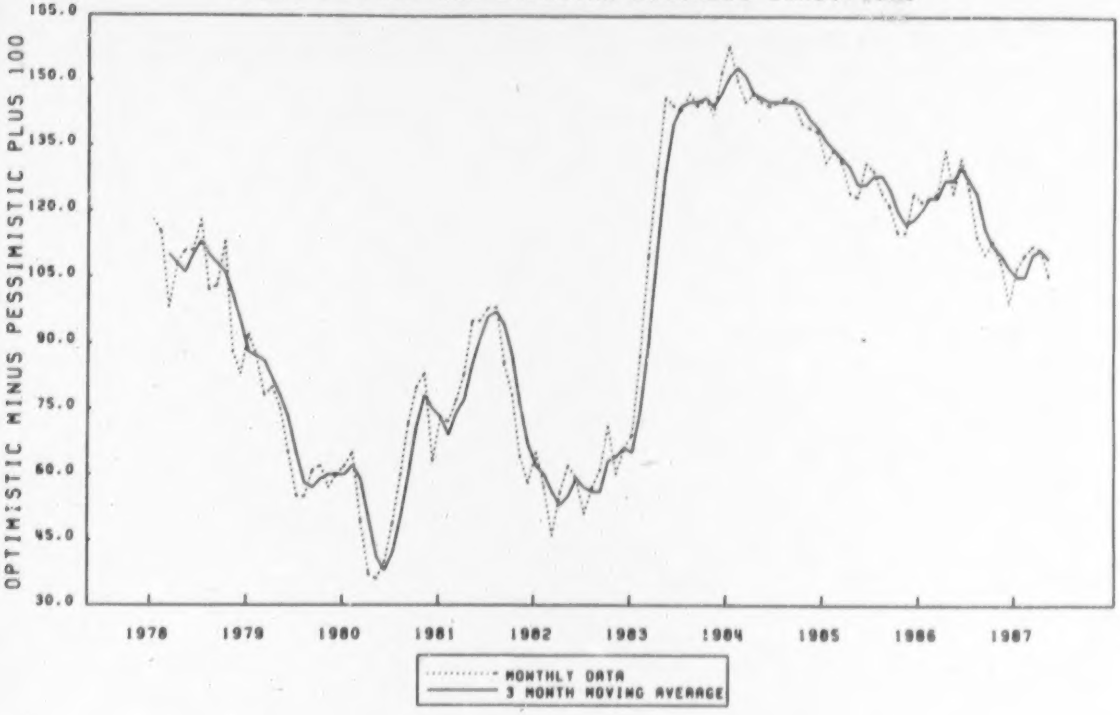


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

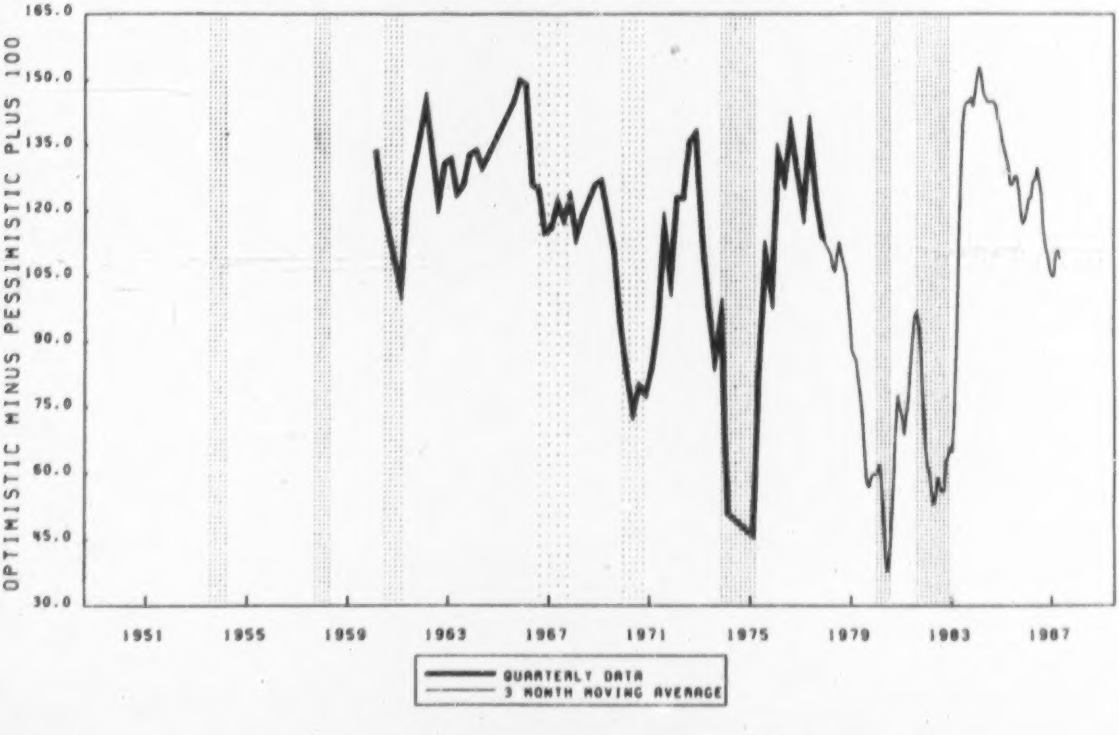


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
TREND:													
Continuous increase (a)	19%	18%	16%	17%	15%	13%	12%	12%	15%	14%	13%	13%	12%
Intermittant increase (b)	33	41	36	29	29	31	30	27	27	32	32	30	28
Remain unchanged (c)	8	5	10	10	8	10	10	10	10	7	11	11	10
Intermittant decline (d)	20	17	18	20	22	21	23	23	24	21	23	22	24
Continuous decline (e)	8	10	9	12	12	10	11	17	11	15	10	10	11
Mixed change (f)	9	7	8	9	10	11	11	7	10	9	7	10	12
DK,NA	3	2	3	3	4	4	3	4	3	2	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

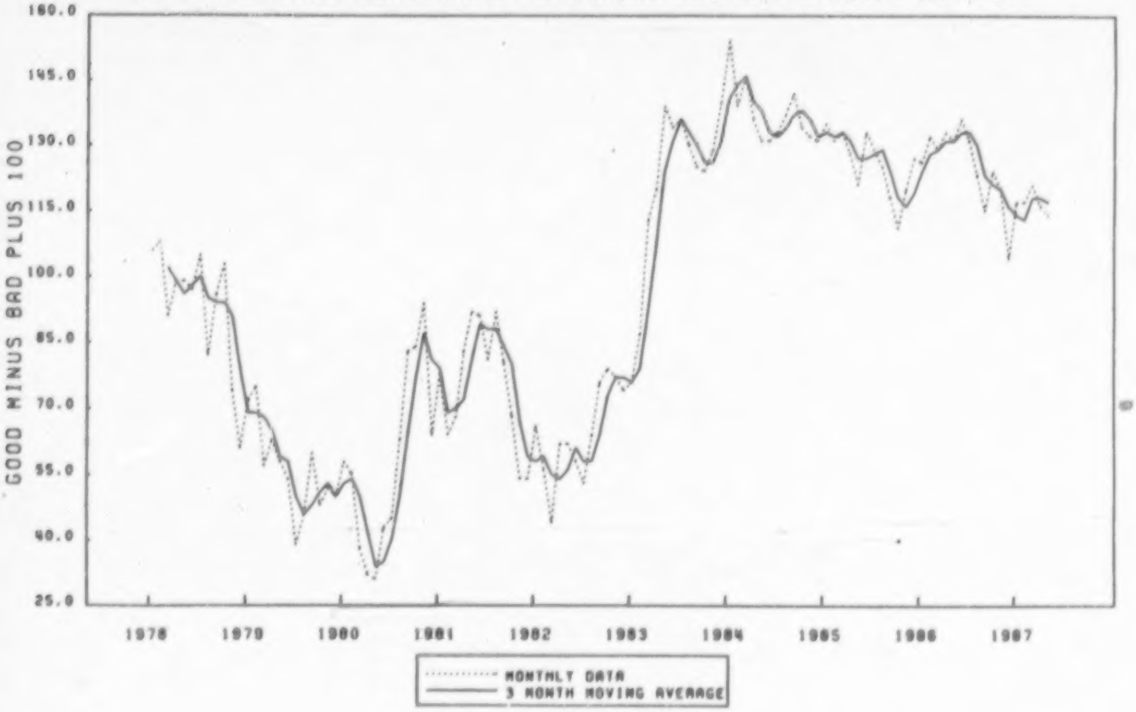


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

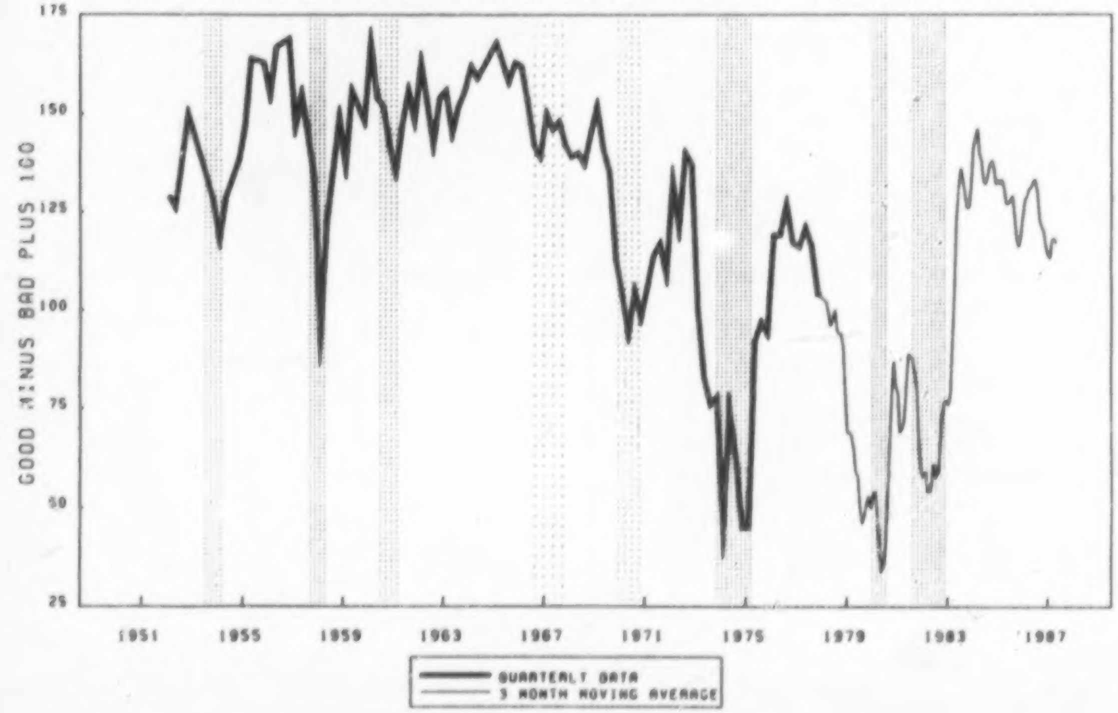


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIMES	60%	62%	61%	55%	50%	55%	53%	45%	53%	53%	55%	51%	51%
UNCERTAIN; GOOD & BAD	2	2	3	4	3	3	3	2	3	1	2	2	1
BAD TIMES	29	26	30	32	35	31	33	41	36	36	34	35	37
DON'T KNOW	5	6	4	5	8	4	5	5	4	5	5	8	5
NOT ASCERTAINED	4	4	2	4	4	7	6	7	4	5	4	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

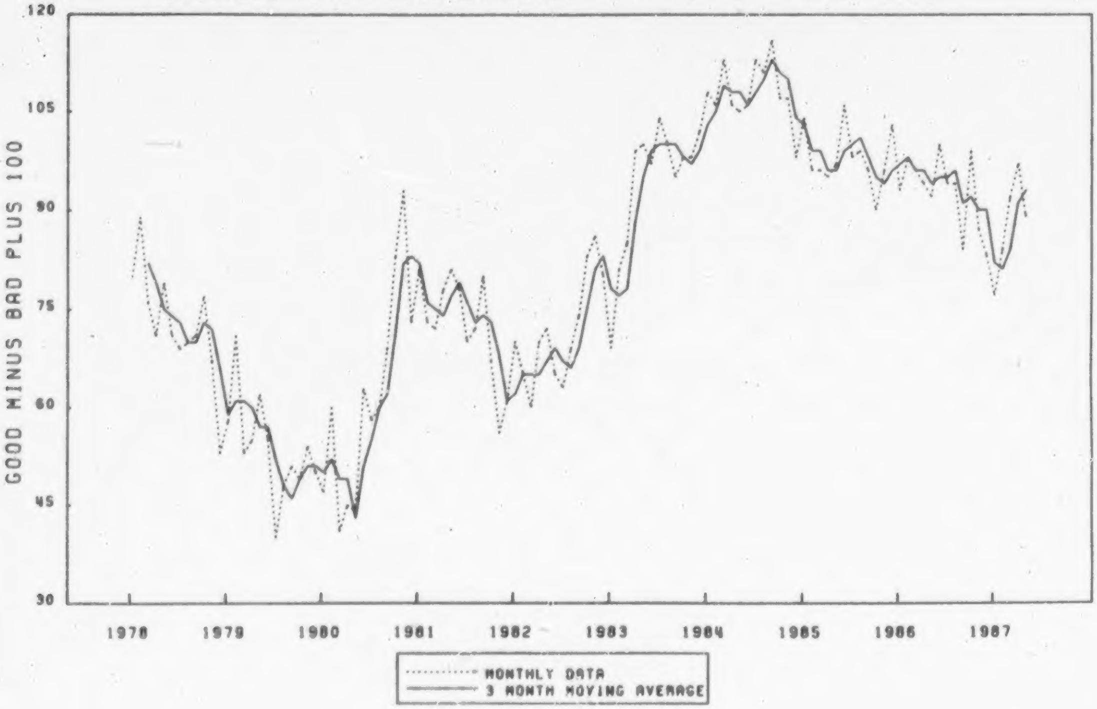


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

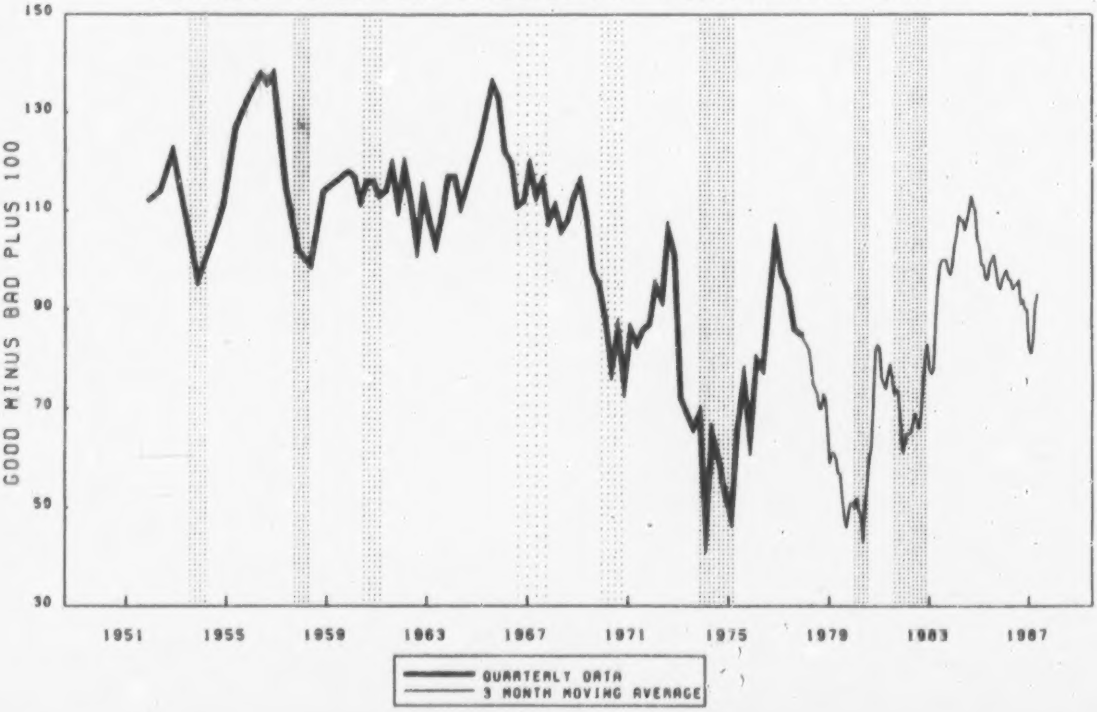


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIMES	37%	40%	38%	39%	33%	41%	35%	33%	30%	34%	39%	41%	36%
UNCERTAIN; GOOD & BAD	14	14	13	10	11	13	14	13	13	12	10	9	13
BAD TIMES	45	40	44	45	49	42	48	50	53	50	47	44	47
NOT ASCERTAINED	4	6	5	6	7	4	3	4	4	4	4	6	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

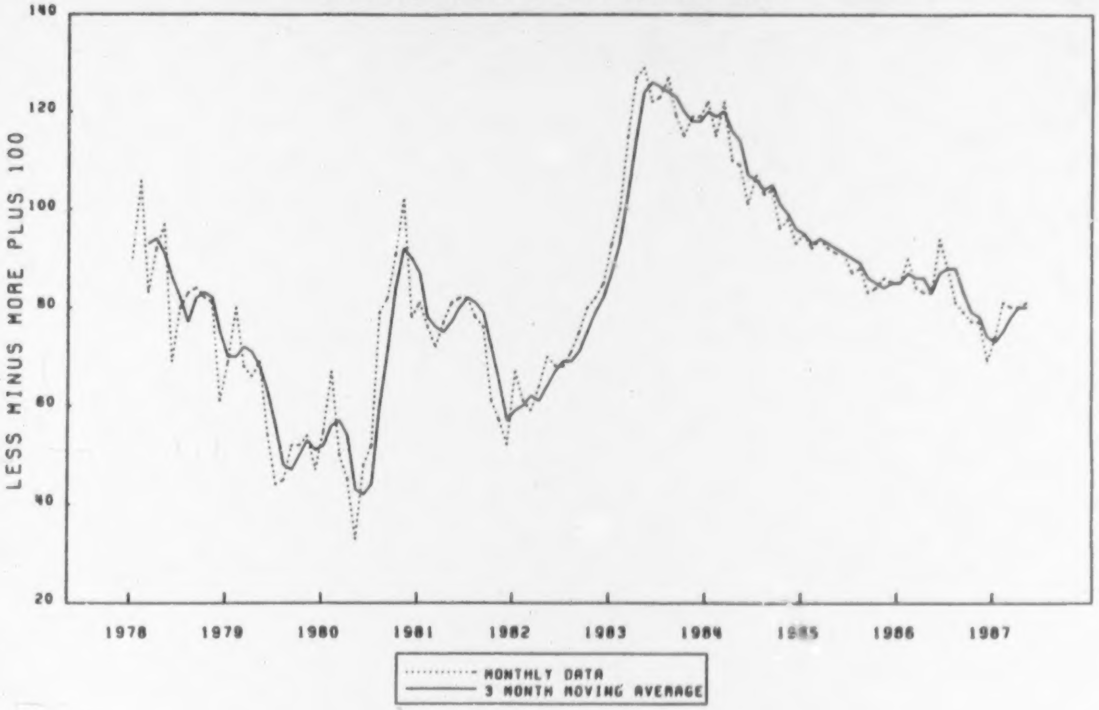


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

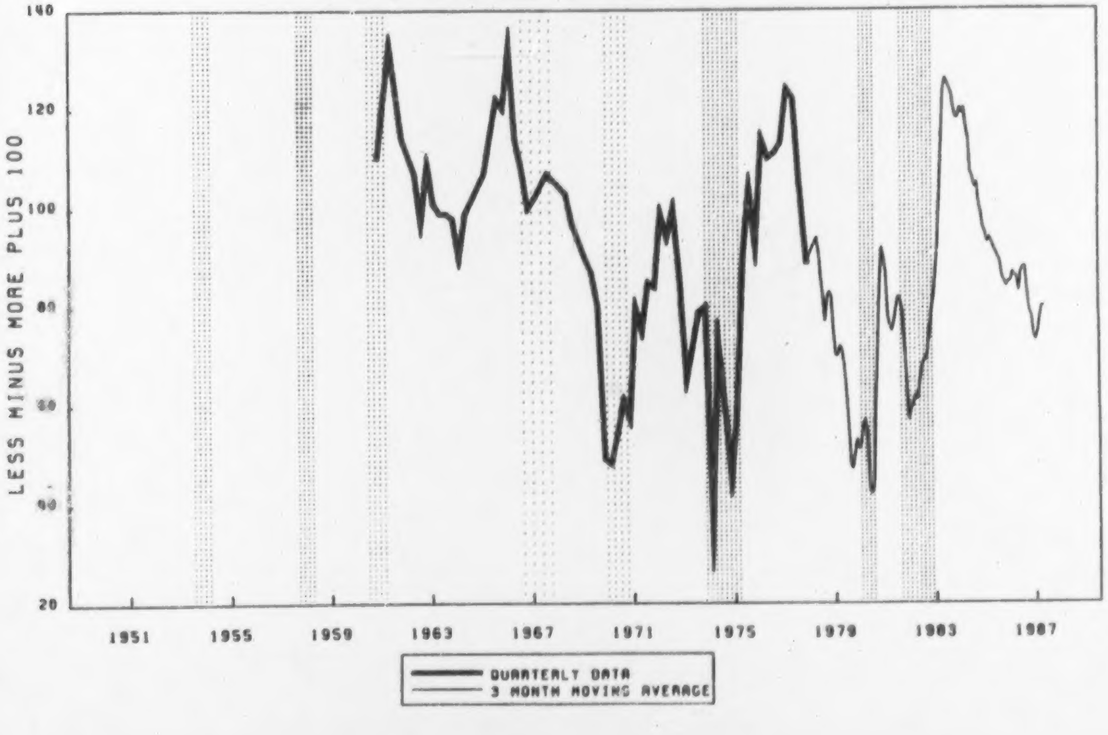


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
LESS	14%	20%	15%	13%	11%	10%	11%	11%	12%	14%	15%	13%	13%
SAME	54	53	56	54	54	55	54	46	49	52	48	52	53
MORE	31	26	27	32	32	33	34	42	38	33	35	33	32
DK,NA	1	1	2	1	3	2	1	1	1	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

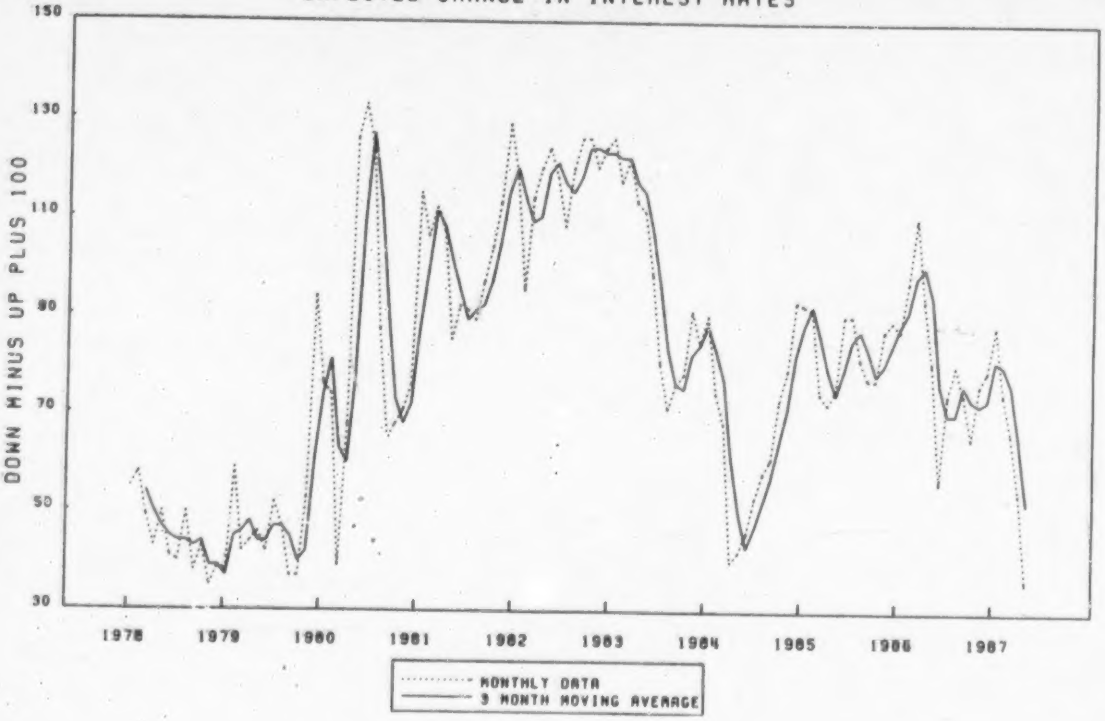


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

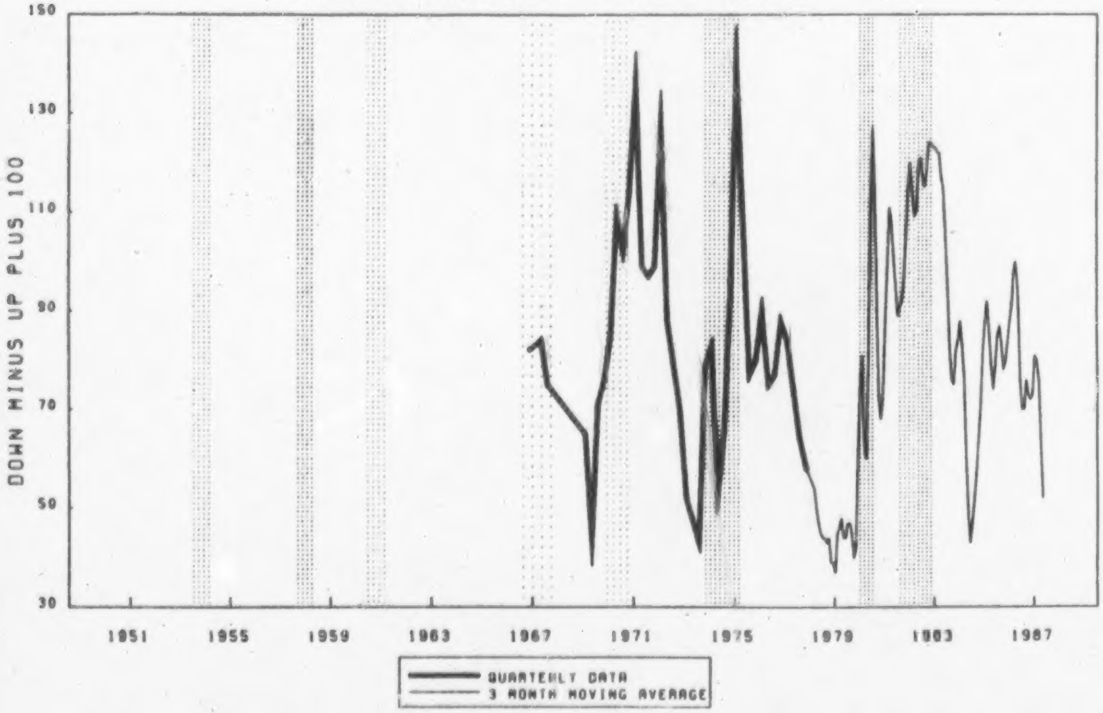


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GO UP	41%	54%	45%	42%	49%	50%	43%	41%	37%	43%	49%	57%	71%
STAY THE SAME	35	34	35	34	26	33	37	37	35	38	33	29	21
GO DOWN	21	10	19	22	23	15	19	20	25	17	15	11	7
DK,NA	3	2	1	2	2	2	1	2	3	2	3	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

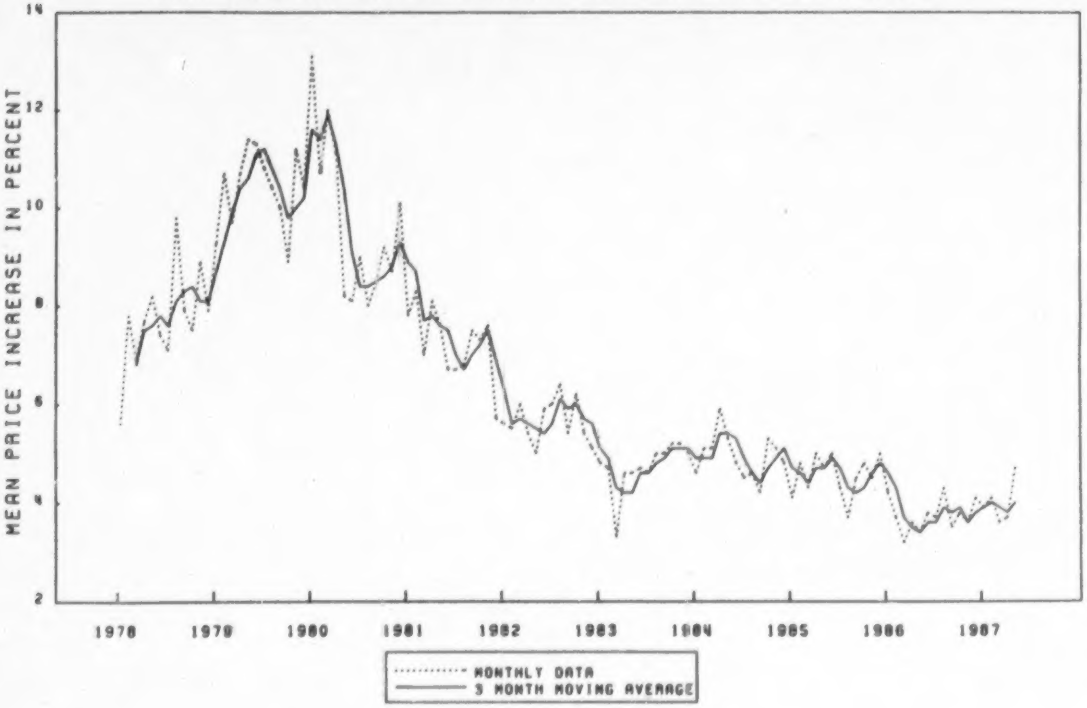


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

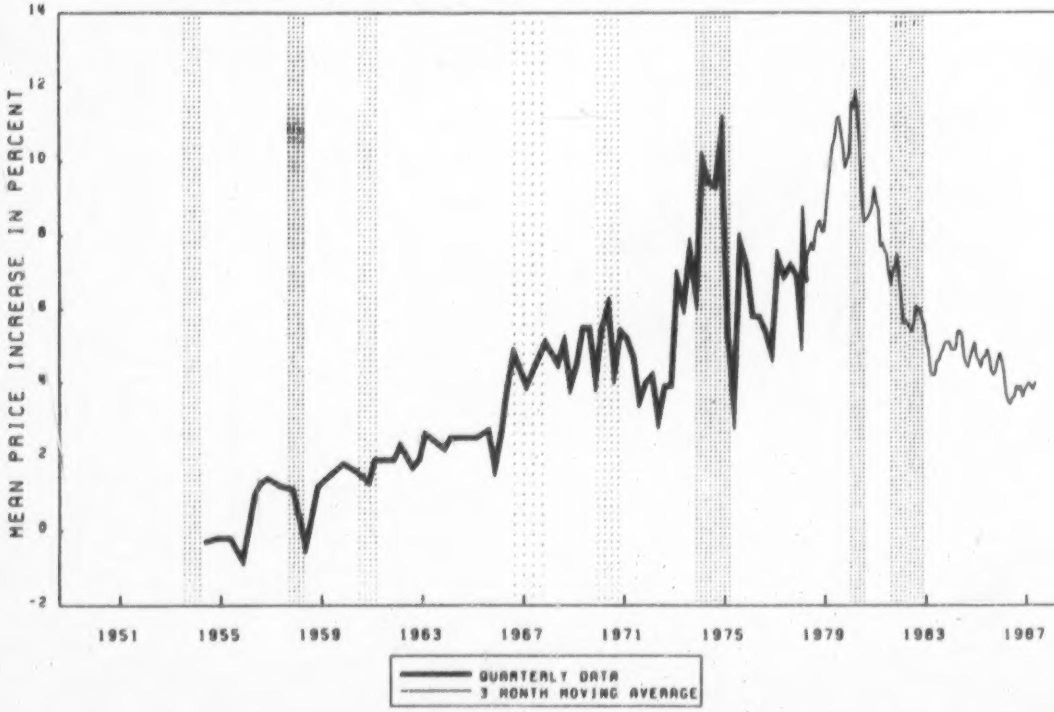


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
SAME OR DOWN	31%	22%	29%	21%	23%	22%	22%	20%	20%	21%	21%	19%	15%
WILL GO UP BY:													
1-2%	13	20	13	18	18	17	19	18	18	17	19	19	18
3-4%	22	20	23	24	23	19	25	23	24	21	21	23	23
5%	14	16	16	14	16	21	15	17	14	18	18	16	18
6-9%	5	6	5	7	5	5	6	7	6	5	6	8	10
10-14%	6	6	5	8	5	8	7	6	7	9	5	7	7
15% or more	3	4	4	4	3	2	2	4	4	4	3	2	4
DK how much up	4	5	4	4	6	5	3	4	6	5	6	6	4
DK,NA	2	1	1	*	1	1	1	1	1	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.4	3.8	3.7	4.3	3.5	3.8	3.6	4.1	3.9	4.1	3.6	3.7	4.7
VARIANCE	27	23	32	38	18	17	28	32	25	26	18	21	36
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

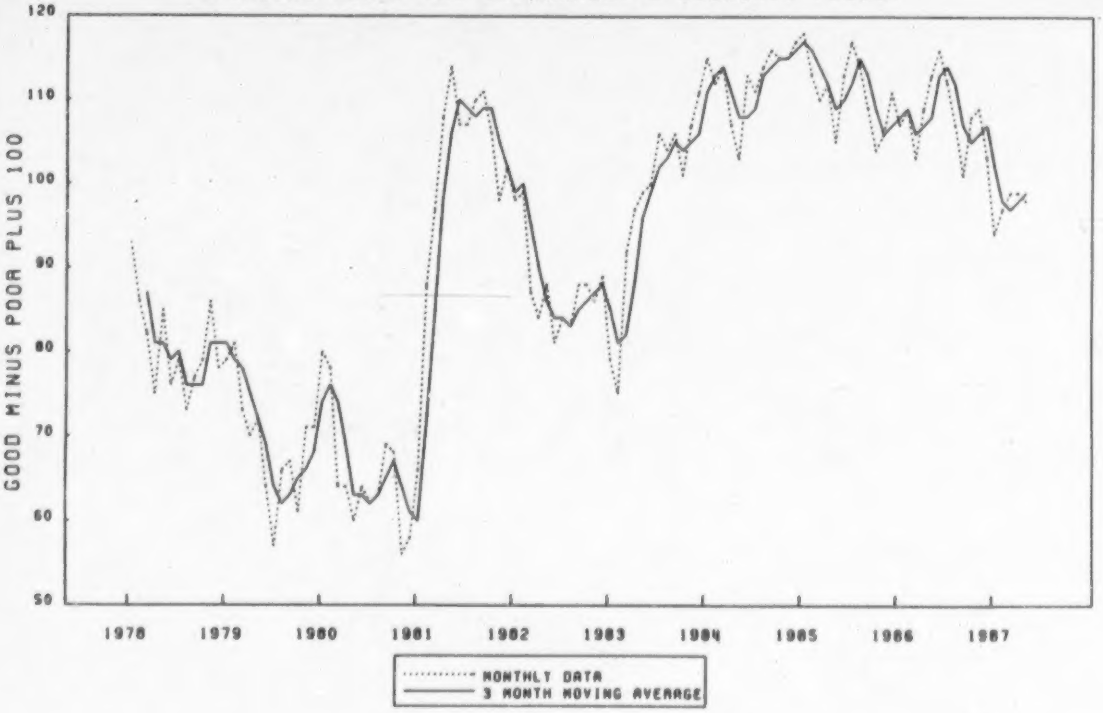


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

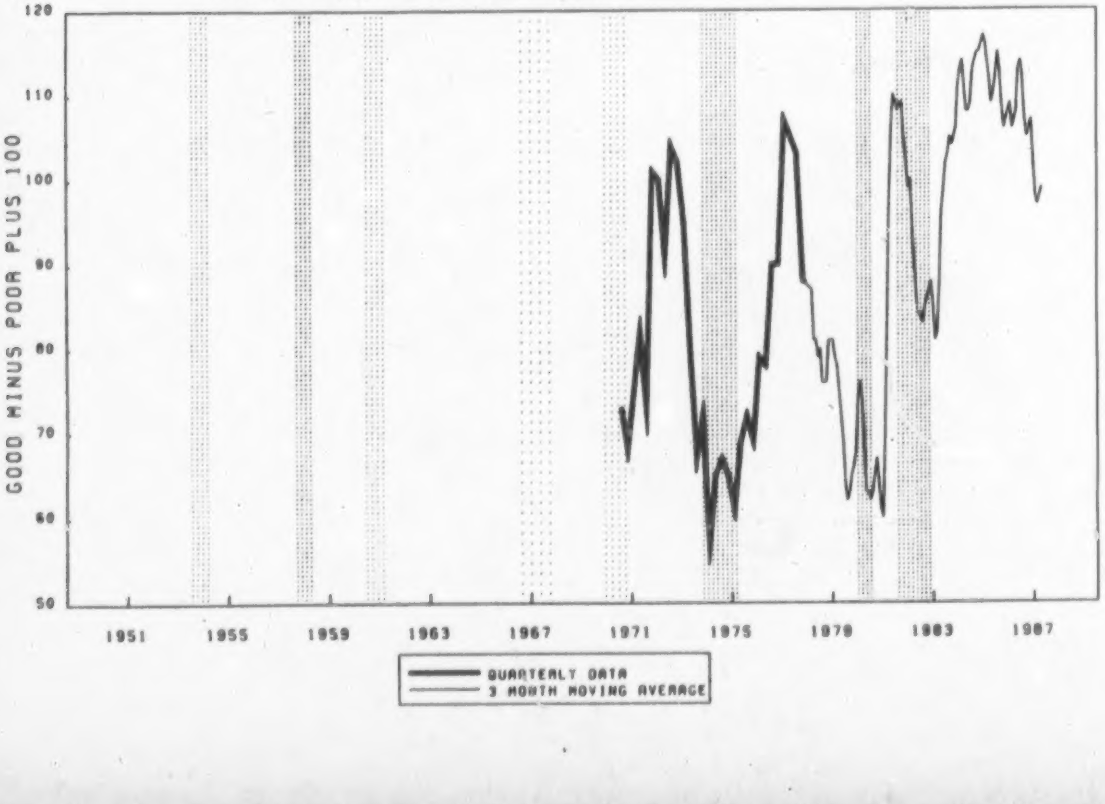


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
A GOOD JOB	30%	33%	29%	28%	22%	27%	28%	26%	20%	23%	23%	21%	21%
ONLY FAIR	49	49	52	50	54	52	51	49	52	49	52	55	55
A POOR JOB	17	17	17	21	21	19	19	23	26	26	24	22	23
DK,NA	4	1	2	1	3	2	2	2	2	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

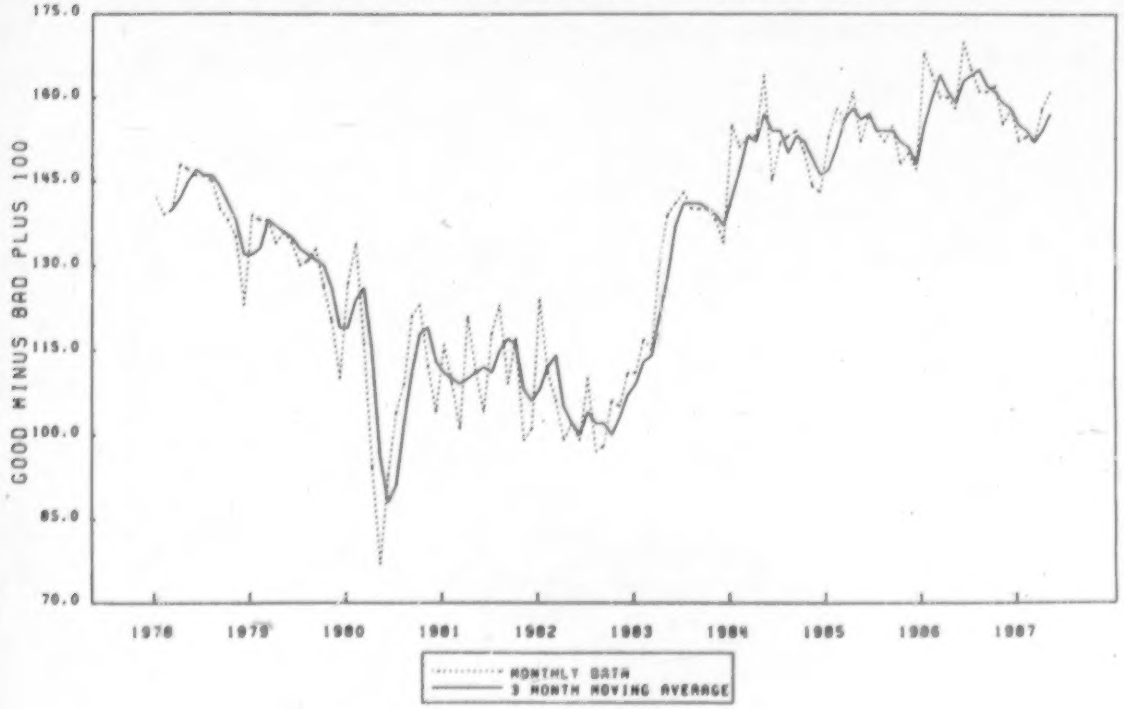


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

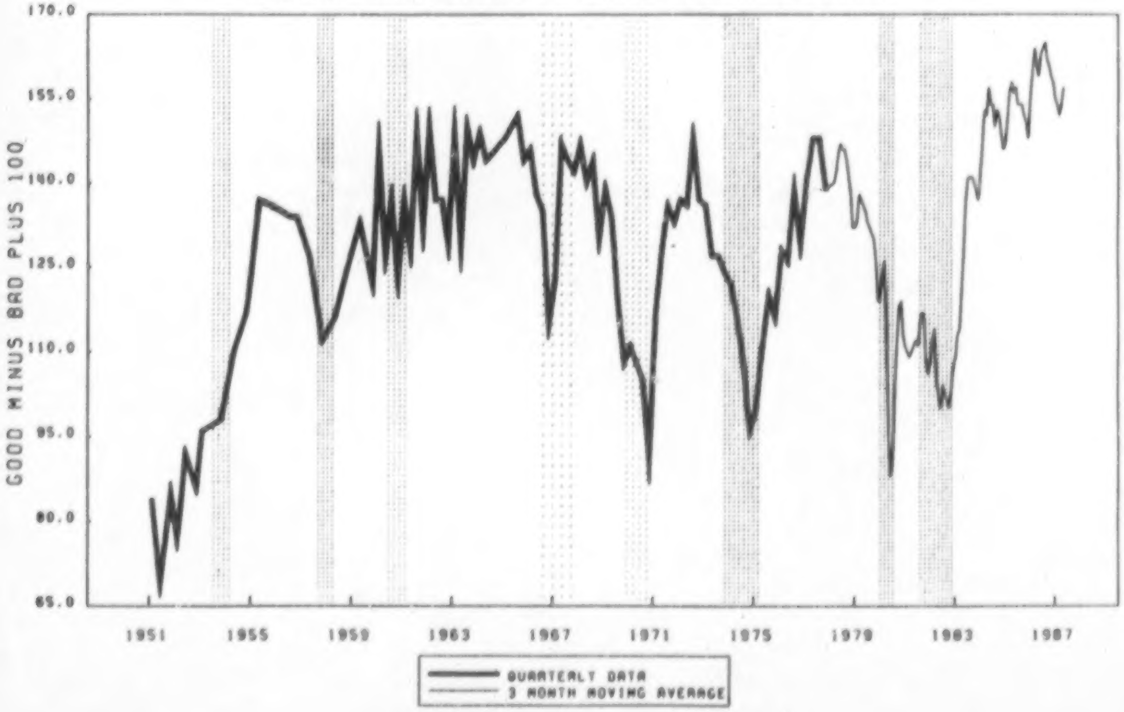


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIME TO BUY	75%	81%	79%	77%	76%	76%	72%	75%	72%	73%	71%	74%	76%
UNCERTAIN, DEPENDS	8	8	7	7	9	10	11	8	8	7	10	10	9
BAD TIME TO BUY	17	11	14	16	15	14	17	17	20	20	19	16	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

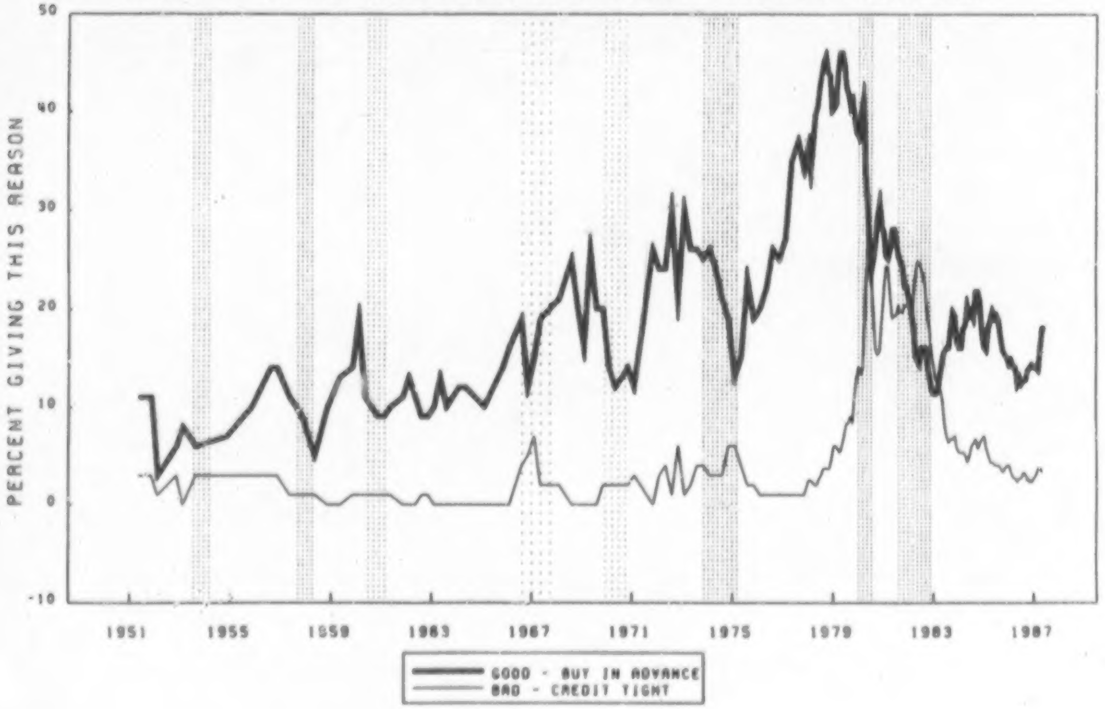


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

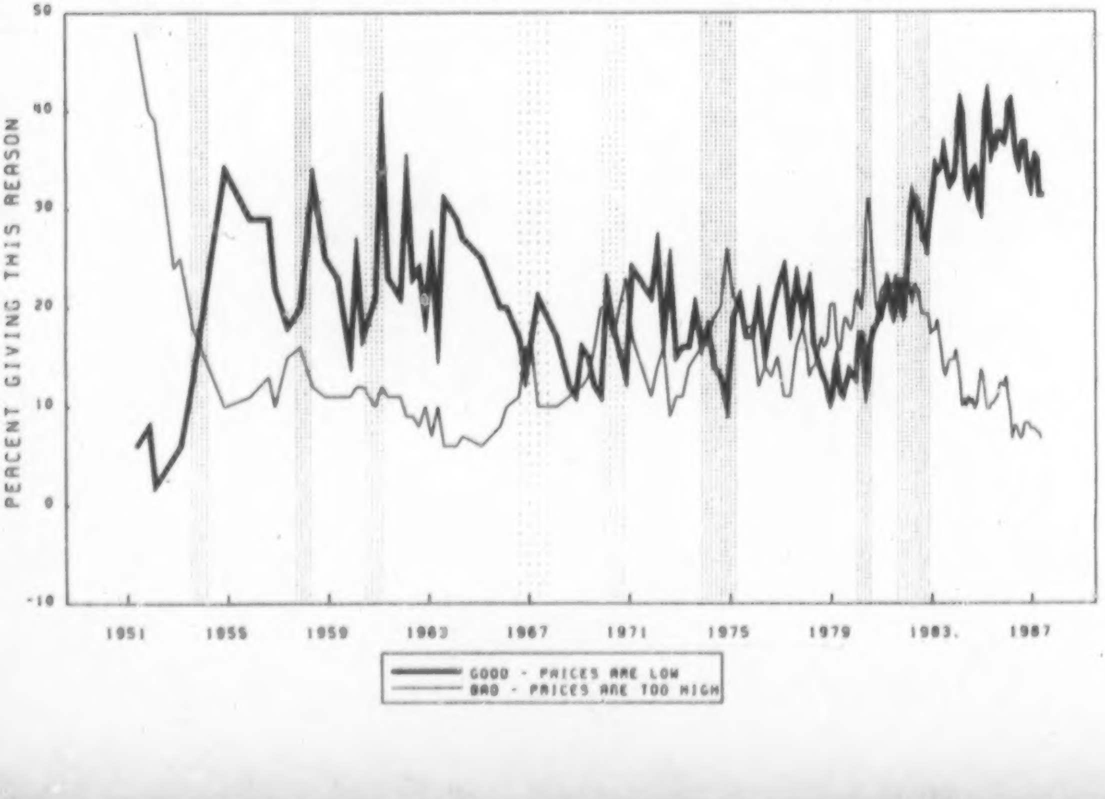


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	33%	35%	40%	35%	35%	33%	30%	33%	40%	33%	32%	29%	33%
Prices won't come down; are going higher	12	14	11	13	14	14	14	15	13	14	14	20	20
Interest rates low; credit is easy	31	31	26	26	29	26	25	18	20	21	23	21	19
BAD TIME TO BUY:													
Prices are high	7	6	7	8	10	7	8	8	7	8	7	7	6
Interest rates are high; credit is tight	2	3	3	4	2	2	3	2	3	4	4	3	3
Lack of purchasing power	9	5	6	7	8	7	8	6	8	7	8	5	4

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

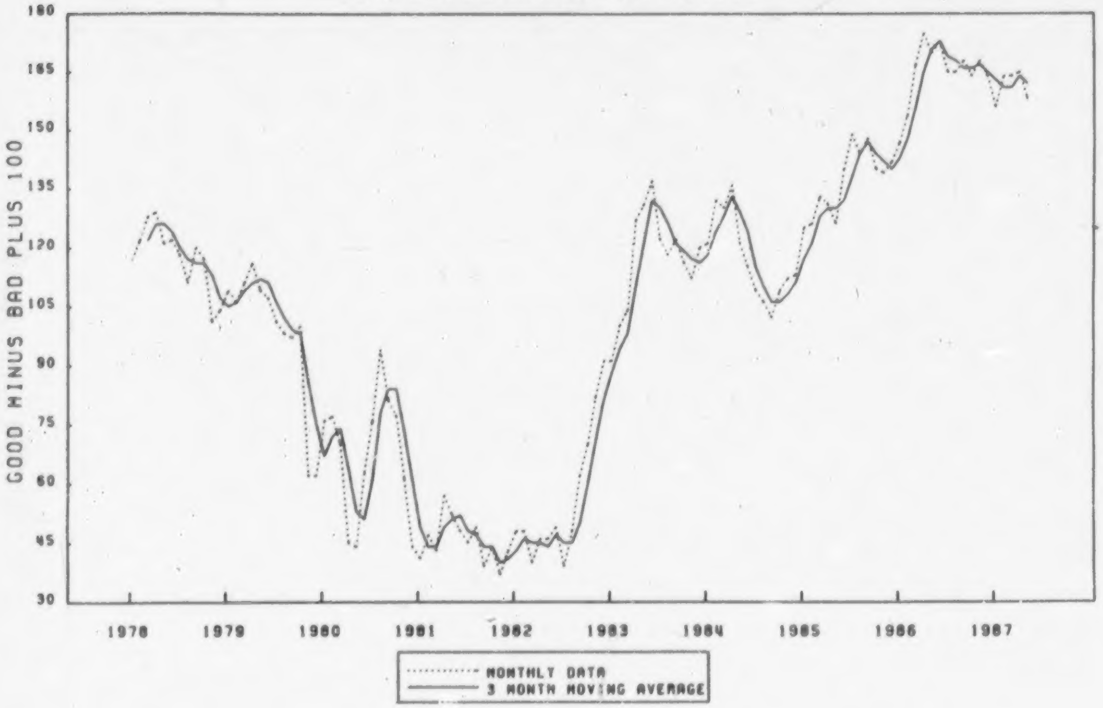


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

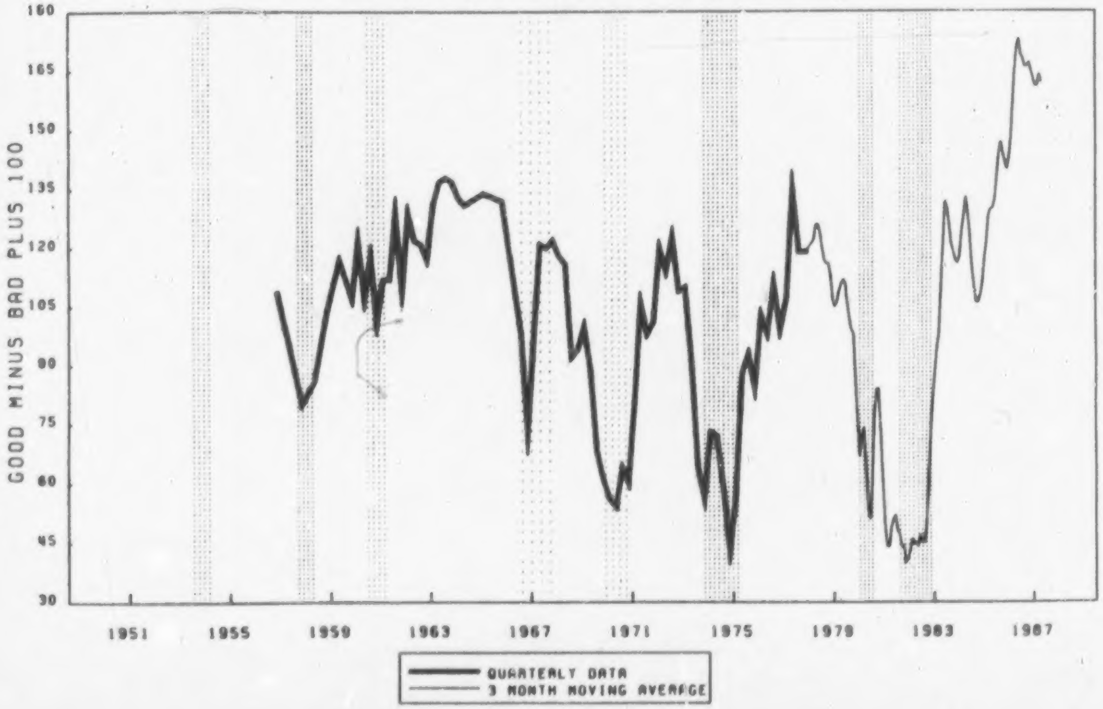


TABLE 23

BUYING CONDITIONS FOR HOUSES

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIME TO BUY	83%	86%	82%	81%	83%	81%	83%	80%	76%	81%	80%	82%	77%
UNCERTAIN, DEPENDS	4	1	1	3	2	2	2	4	4	2	4	1	4
BAD TIME TO BUY	13	13	17	16	15	17	15	16	20	17	16	17	19
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

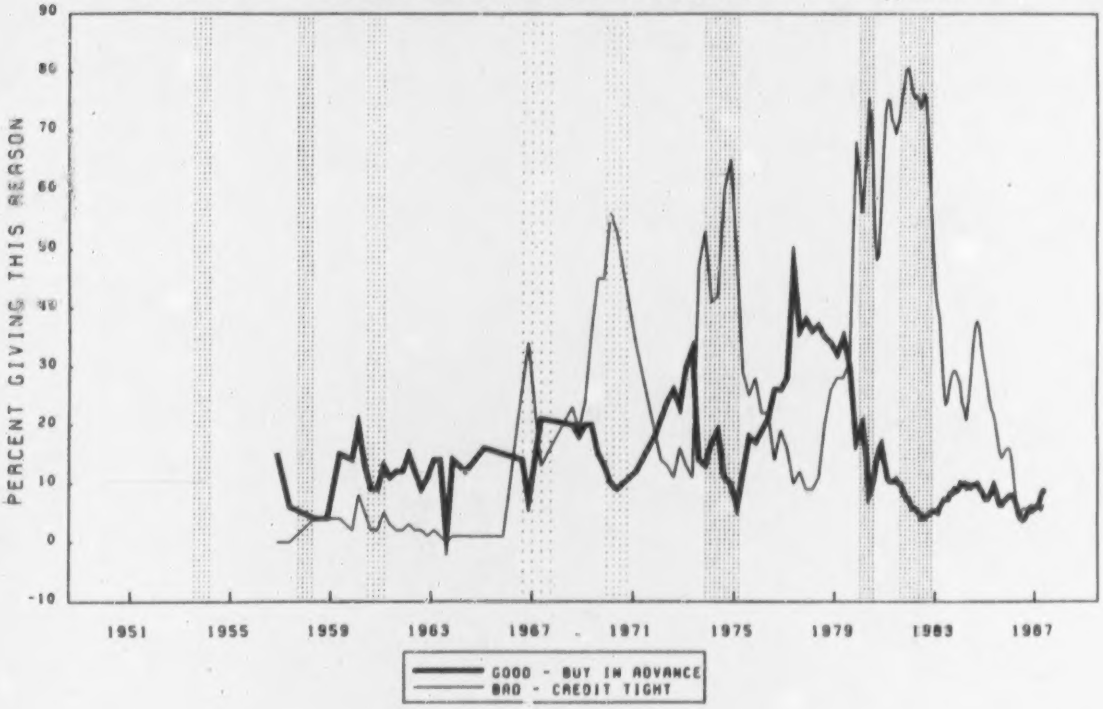


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

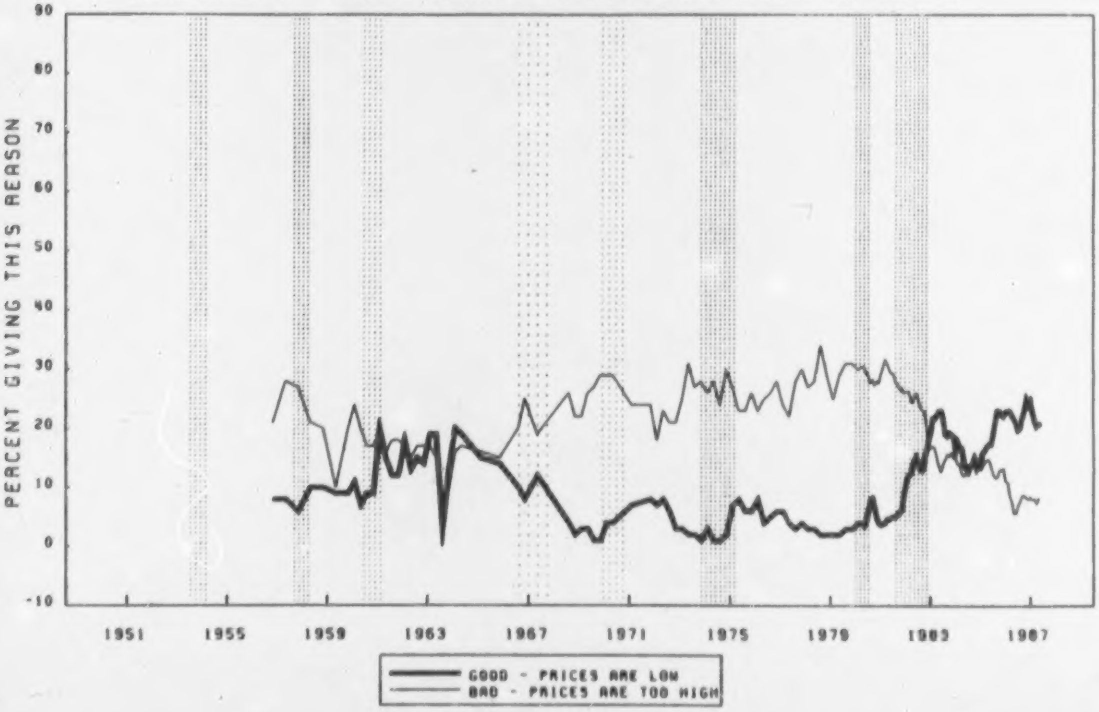


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	20%	21%	18%	21%	26%	22%	27%	23%	24%	21%	19%	21%	22%
Prices won't come down; are going higher	3	4	4	4	6	6	6	6	5	7	8	9	9
Interest rates low; credit is easy	80	83	77	78	79	75	75	73	69	74	71	71	66
Good investment	3	3	5	3	5	6	5	6	6	3	6	7	5
BAD TIME TO BUY:													
Prices are high	6	6	9	8	9	9	7	8	10	6	8	8	9
Interest rates are high; credit is tight	5	5	7	5	5	5	5	5	7	6	6	4	9
Lack of purchasing power	6	6	7	8	6	8	8	7	9	8	6	8	6

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

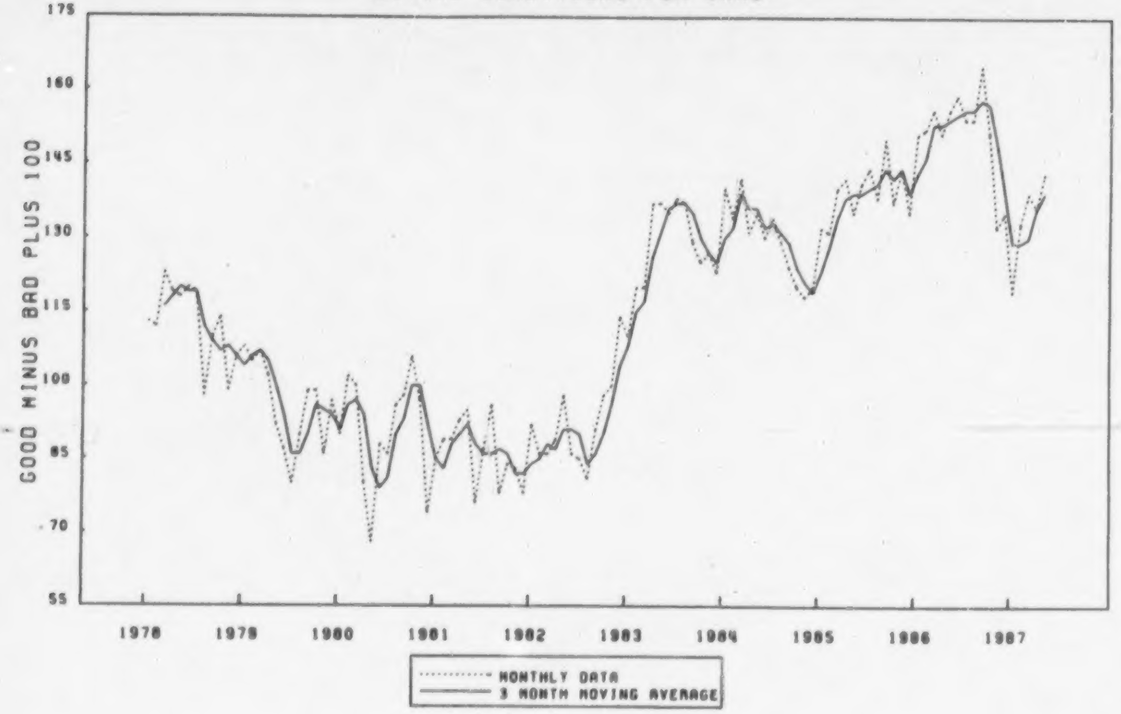


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

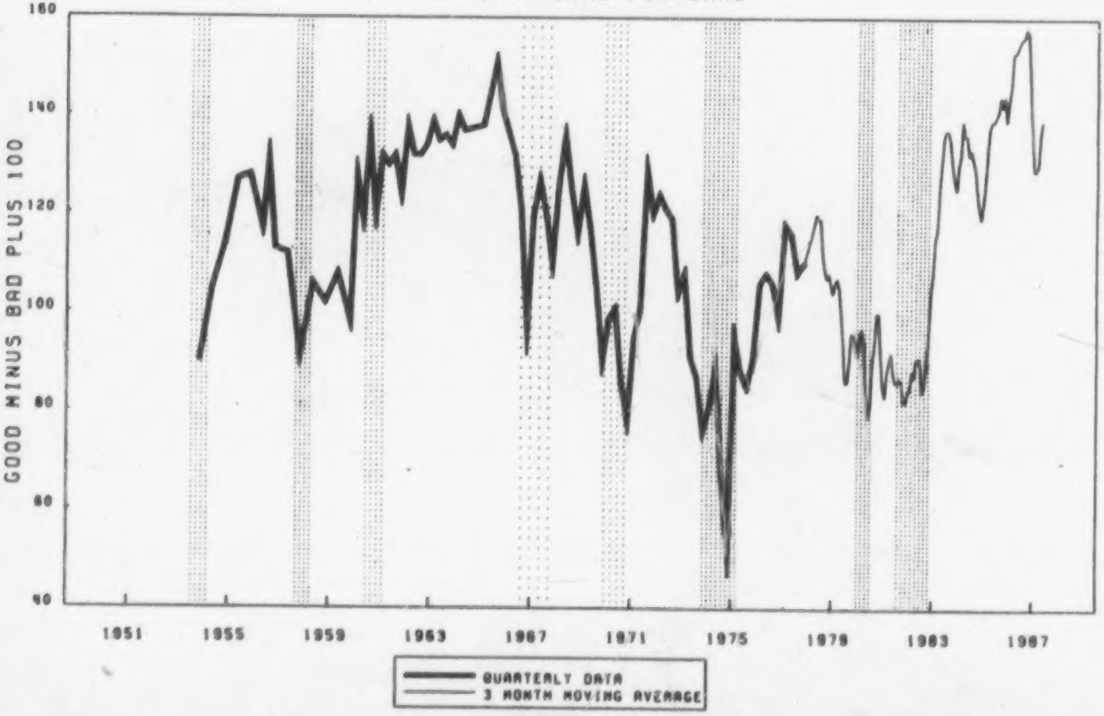


TABLE 25

BUYING CONDITIONS FOR CARS

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIME TO BUY	75%	77%	74%	73%	81%	72%	63%	64%	55%	62%	66%	64%	67%
UNCERTAIN; DEPENDS	6	5	6	8	3	7	6	7	9	9	7	8	9
BAD TIME TO BUY	19	18	20	19	16	21	31	29	36	29	27	28	24
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	655	658	665	653	659	651	656	653	655	657	652	652	651

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

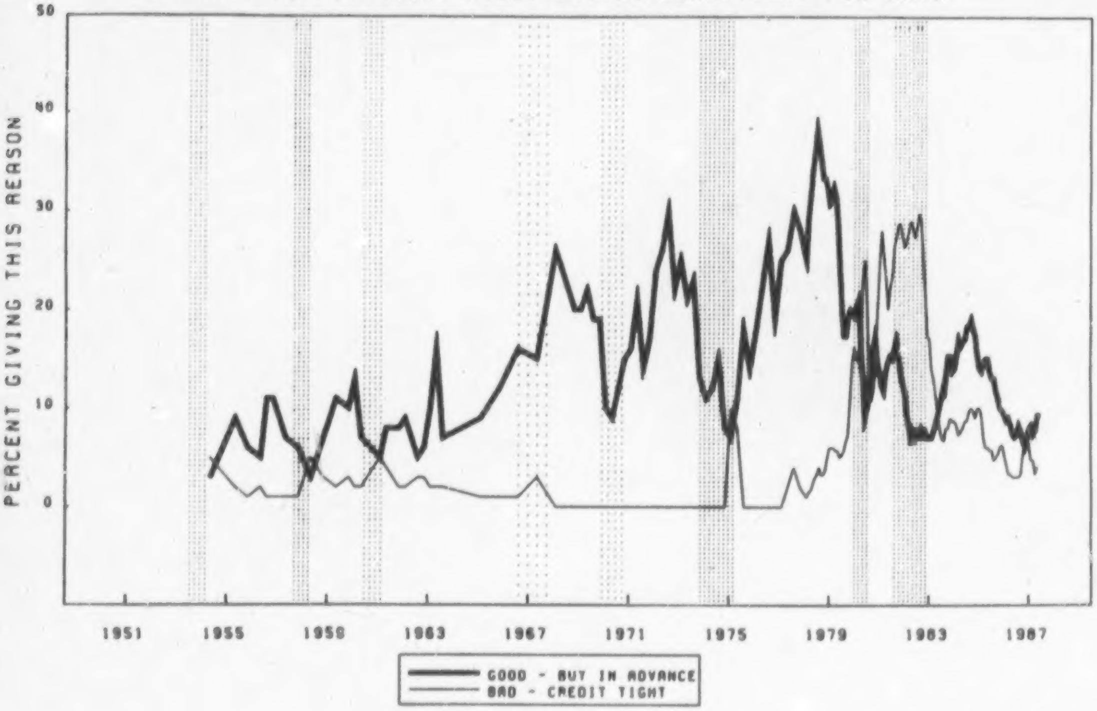


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

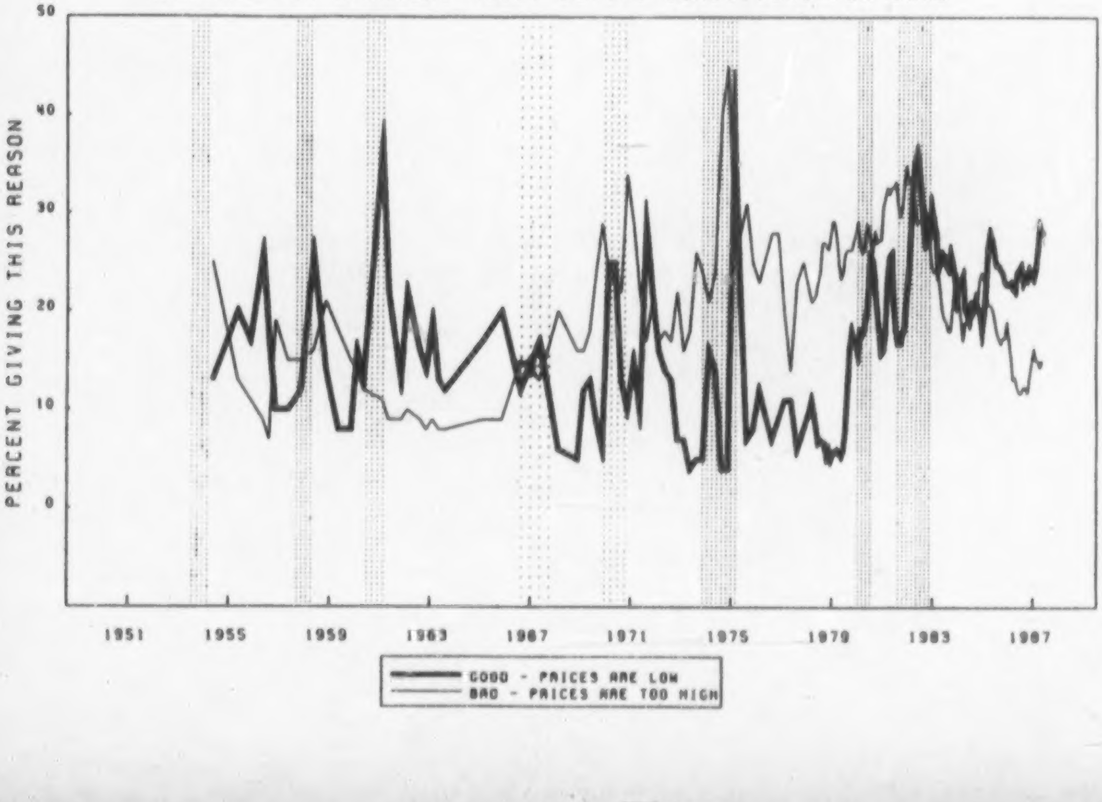


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	May 1986	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	28%	23%	23%	23%	25%	22%	26%	23%	21%	29%	29%	28%	27%
Prices won't come down; are going higher	6	8	8	9	6	5	7	9	8	8	6	9	13
Interest rates low; credit is easy	58	62	53	52	73	58	43	45	34	38	44	40	40
New fuel efficient models	*	*	1	*	*	*	*	*	1	*	*	1	*
BAD TIME TO BUY:													
Prices are high	10	11	14	12	11	12	17	15	17	13	15	15	15
Interest rates are high; credit is tight	3	3	3	3	4	8	9	4	6	4	4	2	6
Lack of purchasing power	6	4	5	5	2	2	4	4	6	6	5	5	5
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	2	2	3	1	1	1	2	2	2	2	2	3	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

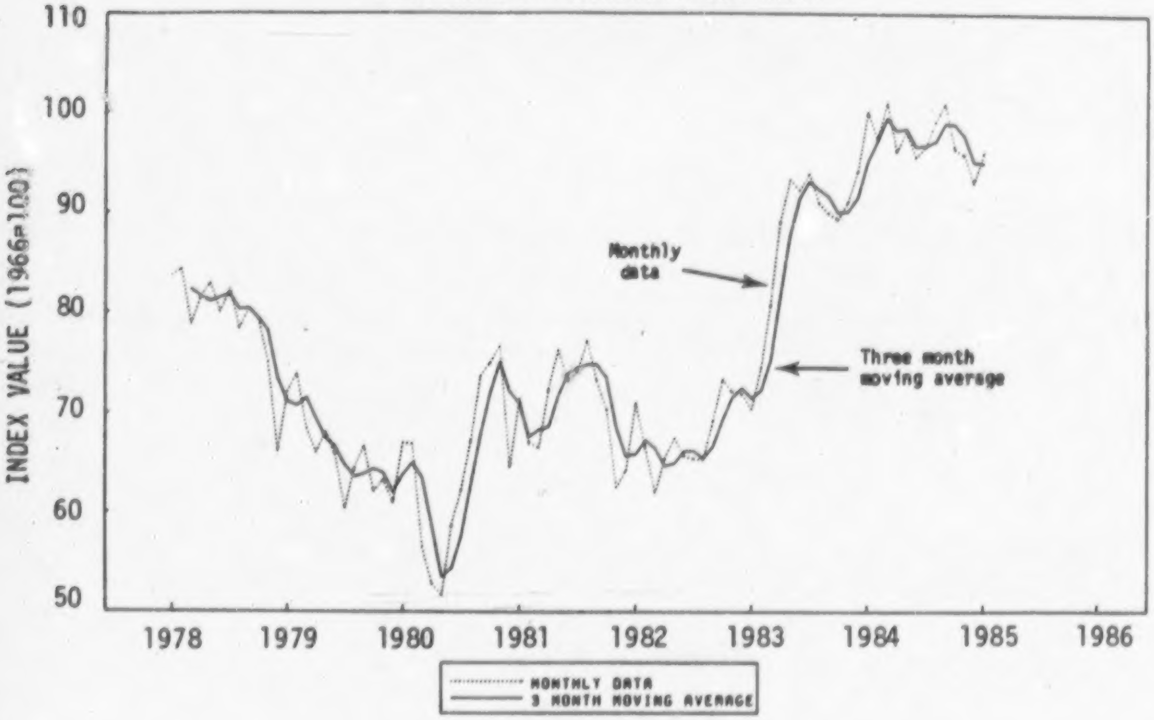
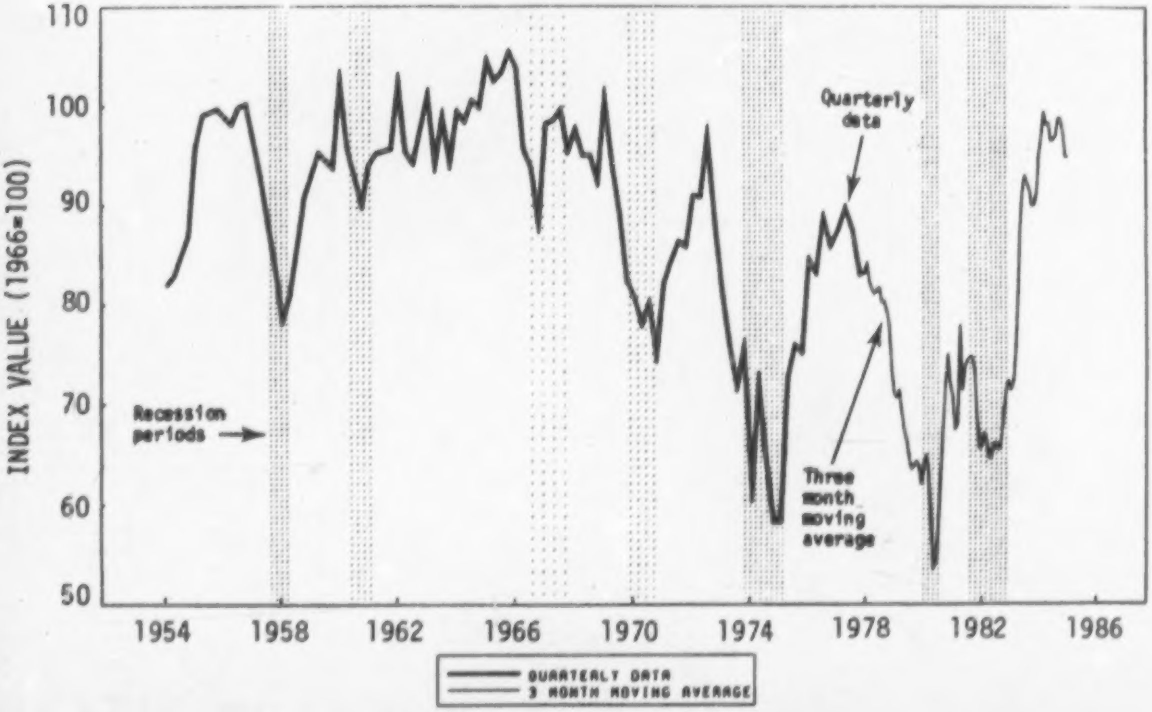


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

7/17/82 2

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

JUNE 1987

The June 1987 survey is the 227th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

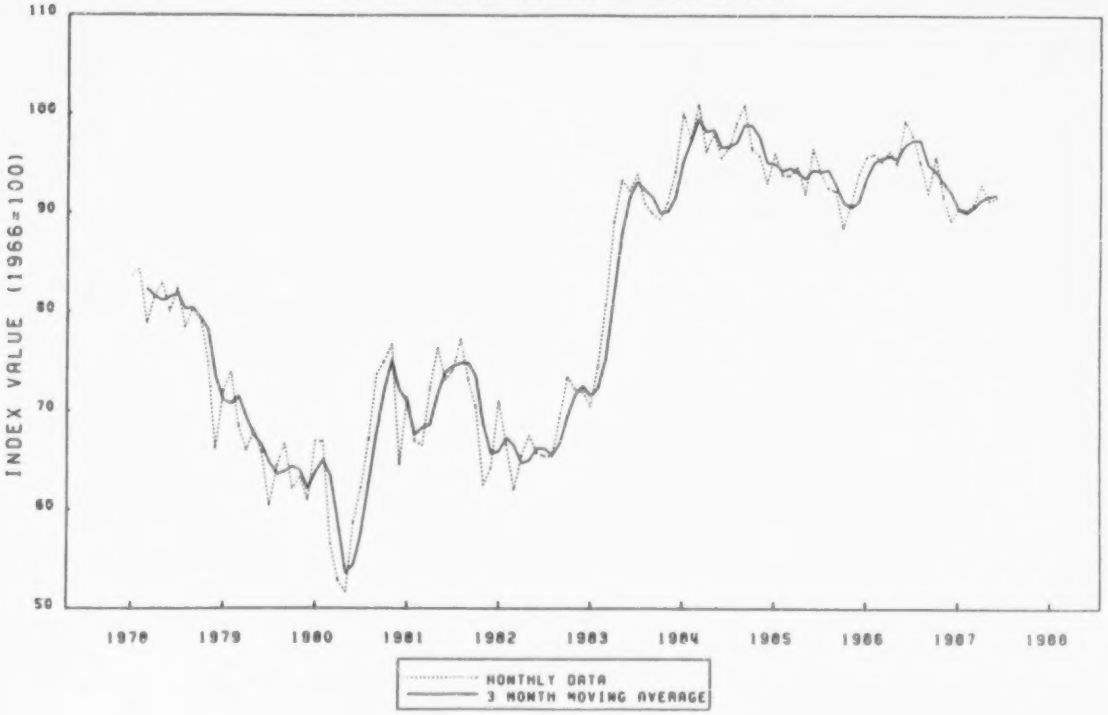


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

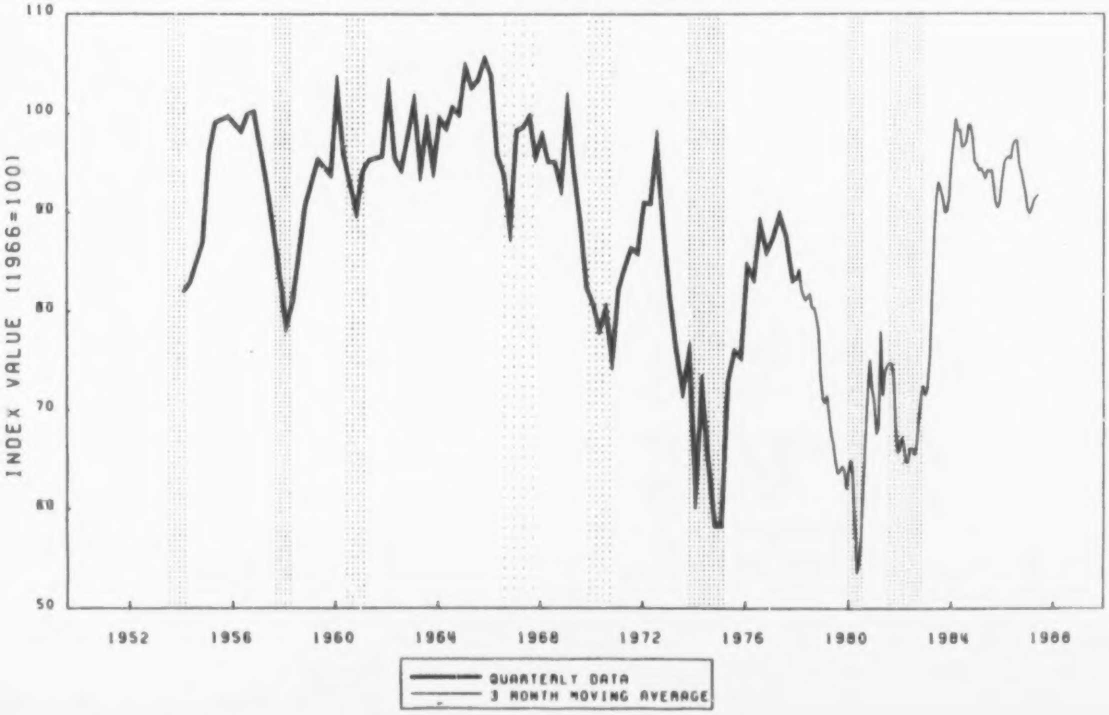


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
June	1984	95.5	105.5	108.6
July	1984	96.6	102.7	109.2
August	1984	99.1	113.3	116.4
September	1984	100.9	110.8	112.9
October	1984	96.3	113.5	114.8
November	1984	95.7	112.9	113.6
December	1984	92.9	101.5	101.7
January	1985	96.0	110.2	112.1
February	1985	93.7	113.8	113.8
March	1985	93.7	110.8	114.4
April	1985	94.6	108.9	114.9
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

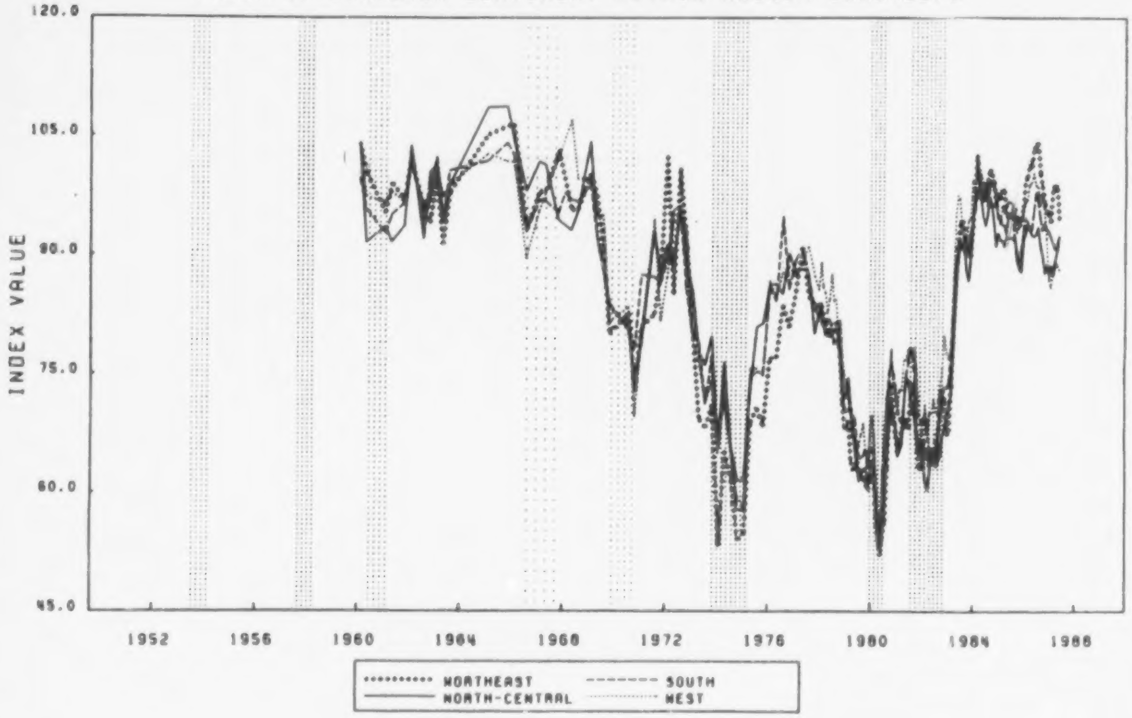


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

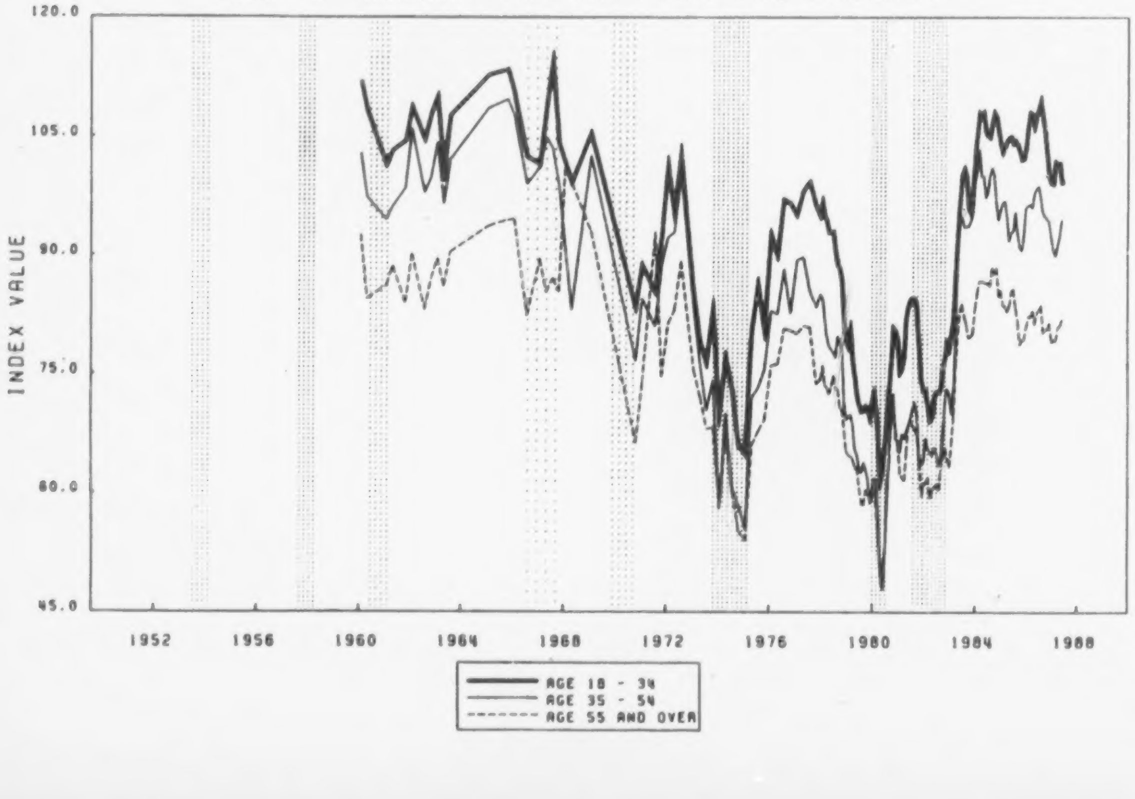


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
June	1984	100.1	92.1	95.0	93.7	103.0	97.1	85.9
July	1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August	1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

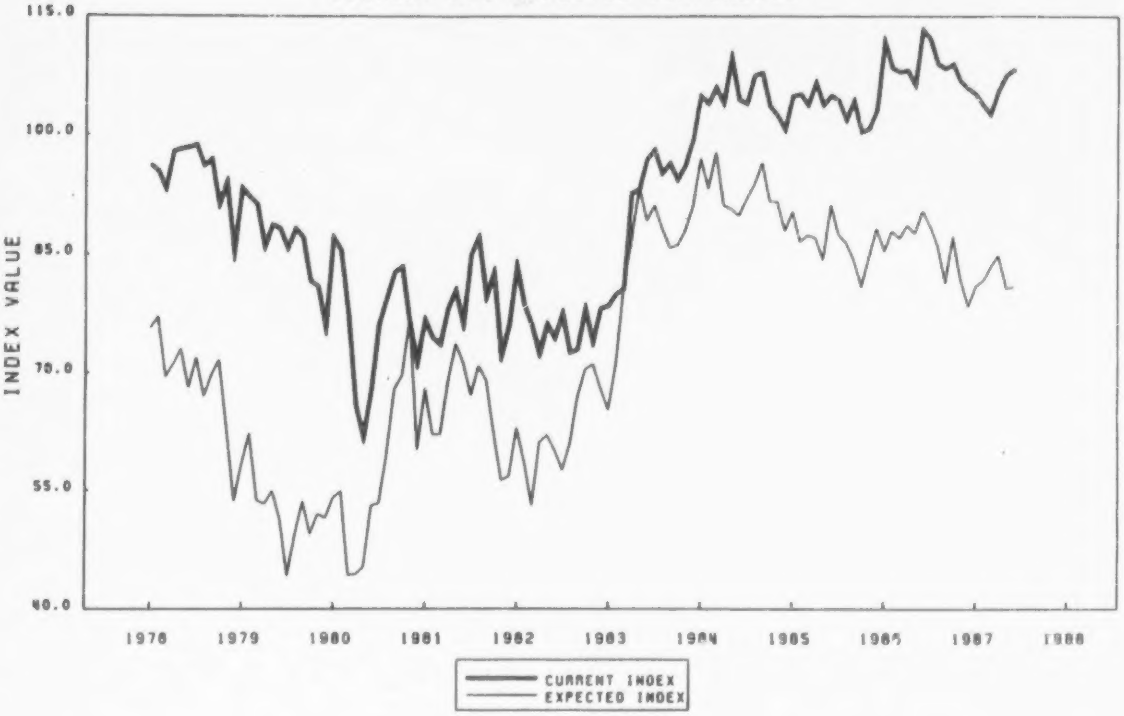


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

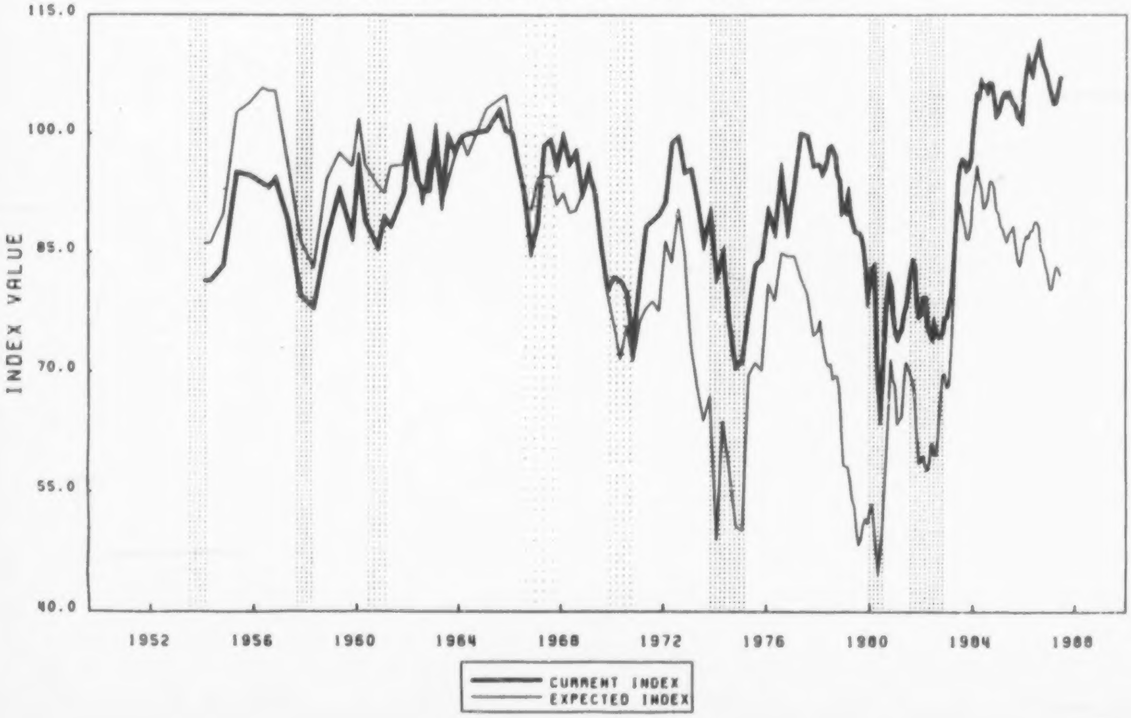


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
June 1984	126	124	131	106	145	104.4	89.8
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

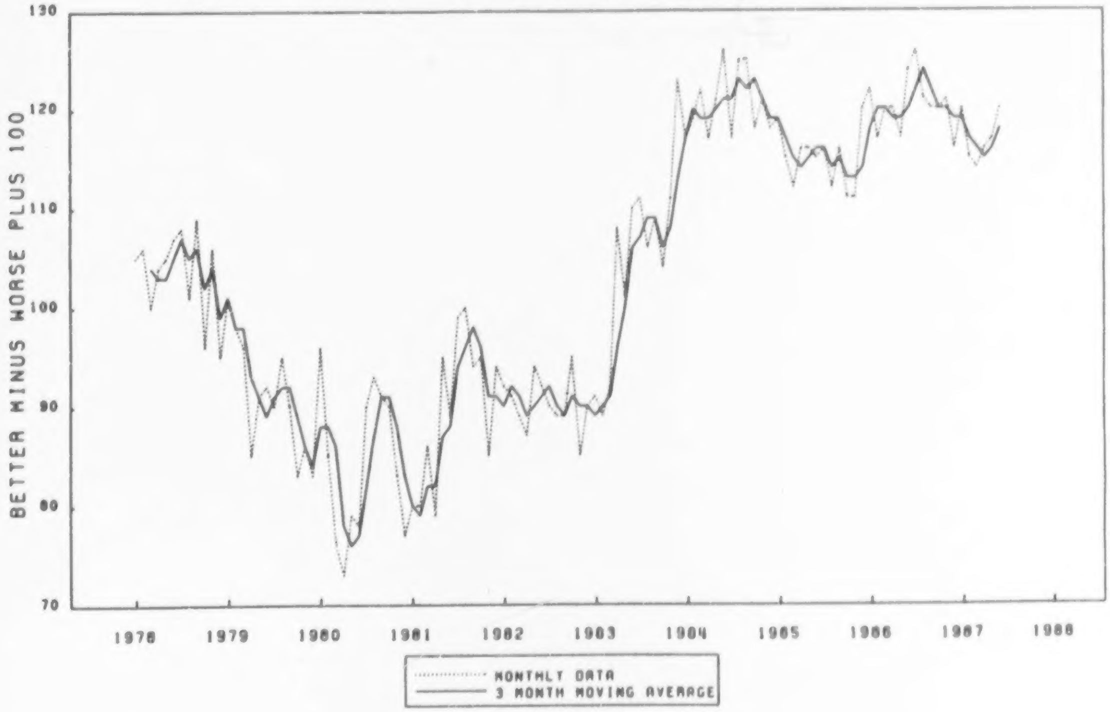


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

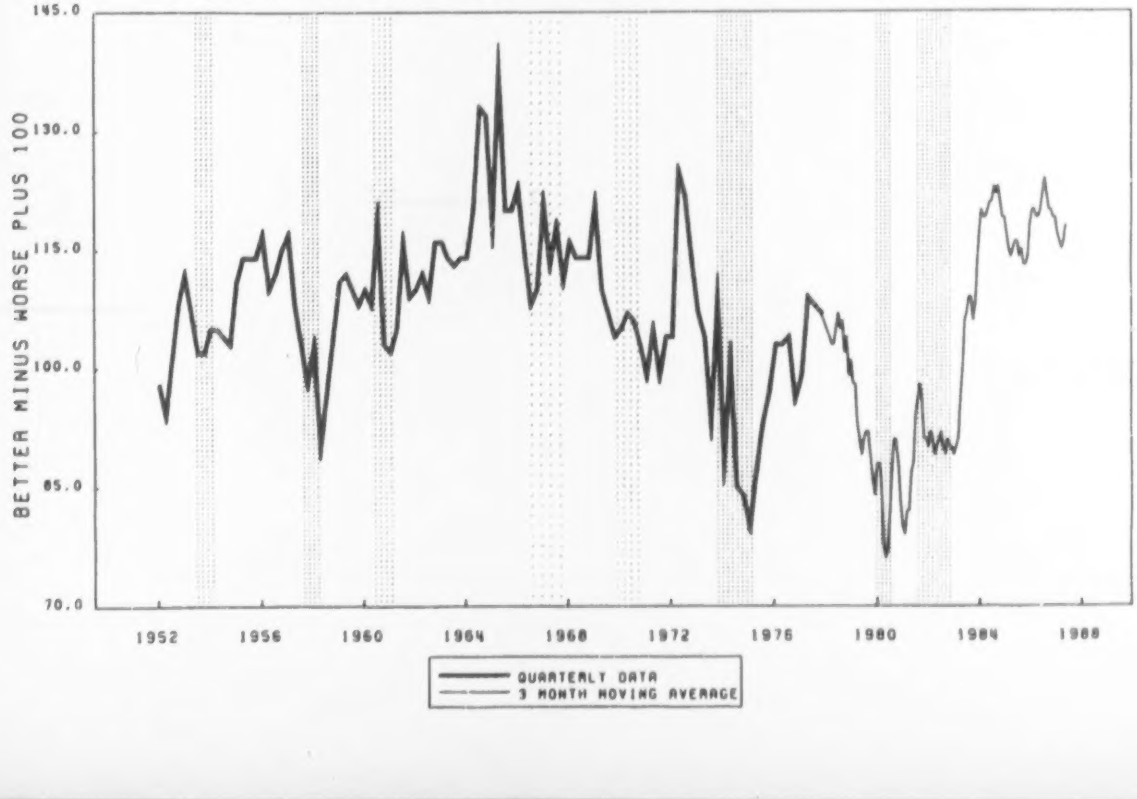


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
BETTER OFF	47%	49%	46%	45%	44%	43%	43%	45%	44%	41%	42%	43%	44%
SAME	29	28	28	30	32	35	30	29	27	32	32	31	32
WORSE OFF	23	23	25	25	24	22	27	25	29	27	26	26	24
DK,NA	1	*	1	*	*	*	*	1	*	*	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

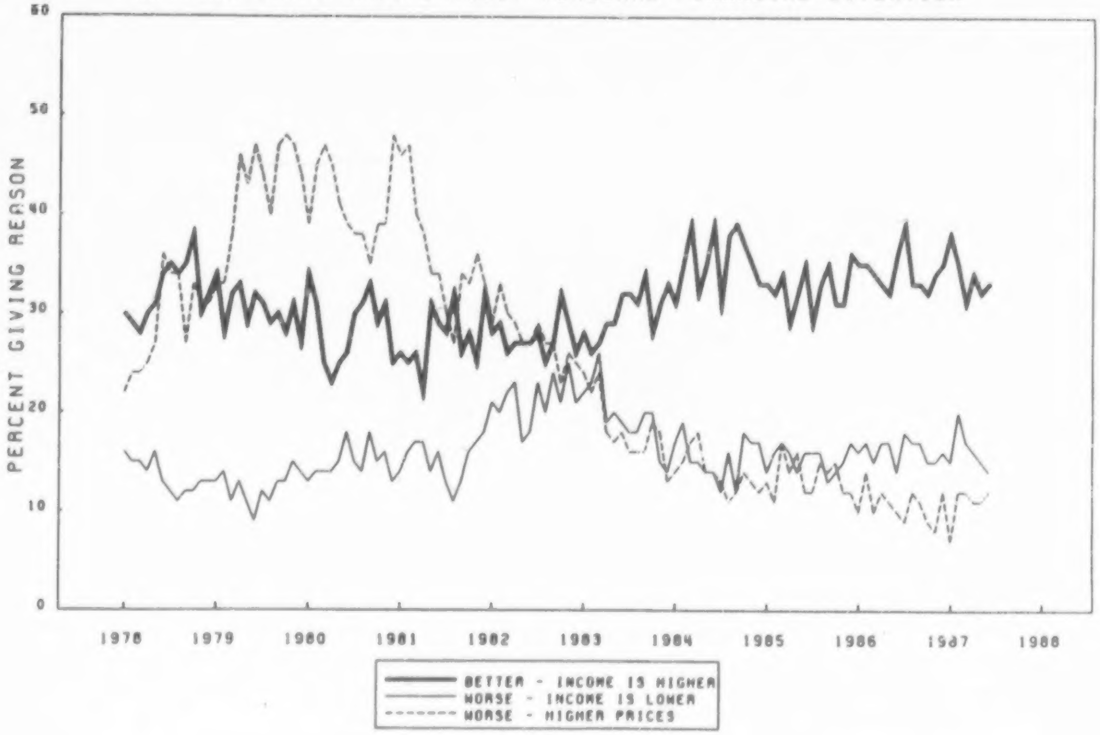


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

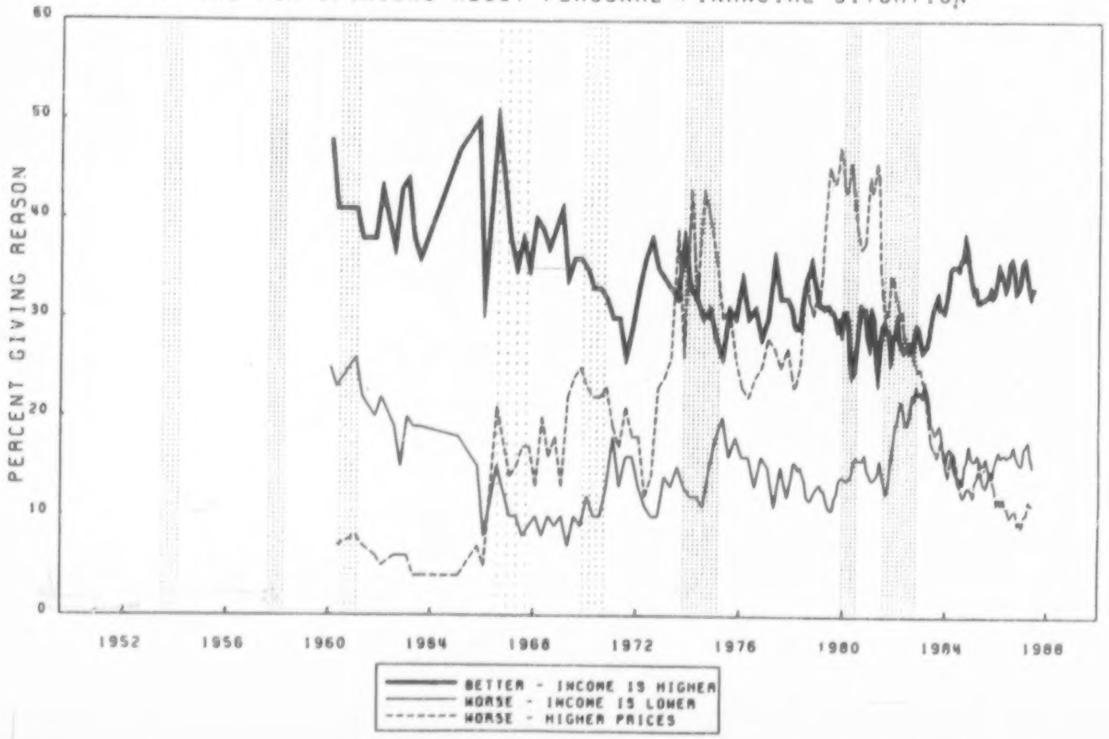


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	36%	39%	33%	33%	32%	34%	35%	38%	35%	31%	34%	32%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	14	18	17	17	15	15	16	15	20	17	16	15	14
Higher prices	10	9	12	11	9	8	12	7	12	12	11	11	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

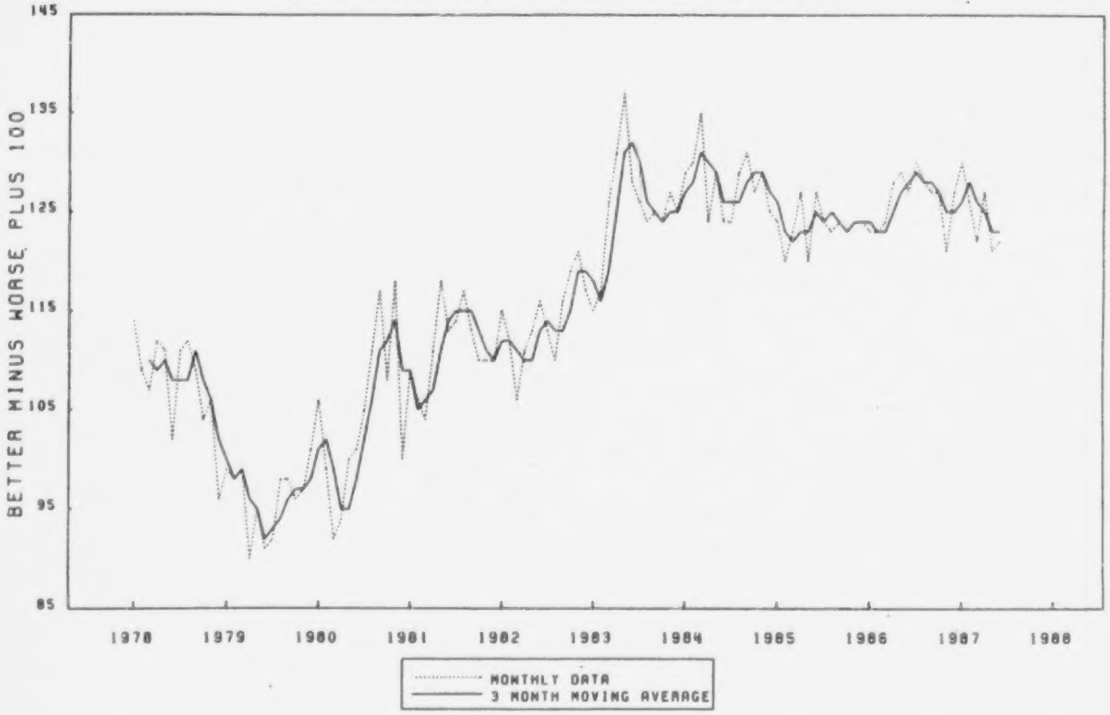


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

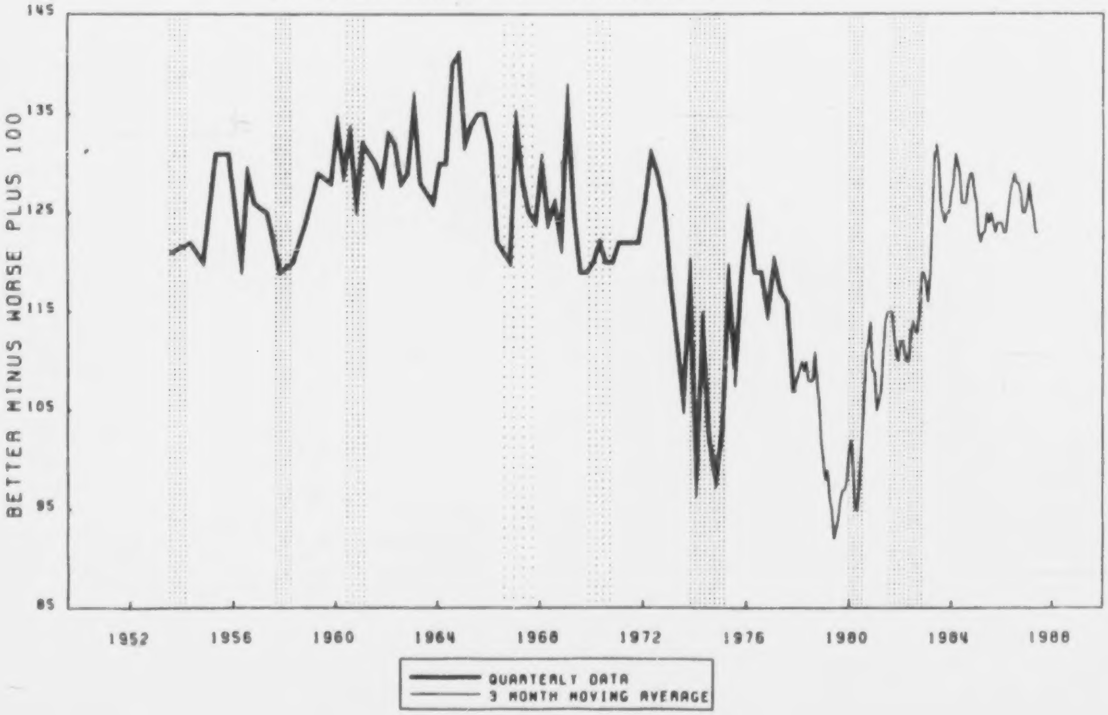


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
BETTER OFF	38%	38%	39%	38%	37%	33%	36%	39%	38%	33%	37%	32%	33%
SAME	49	52	48	47	51	52	52	48	48	53	49	54	53
WORSE OFF	11	8	11	11	10	12	9	9	12	11	10	11	11
DK,NA	2	2	2	4	2	3	3	4	2	3	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

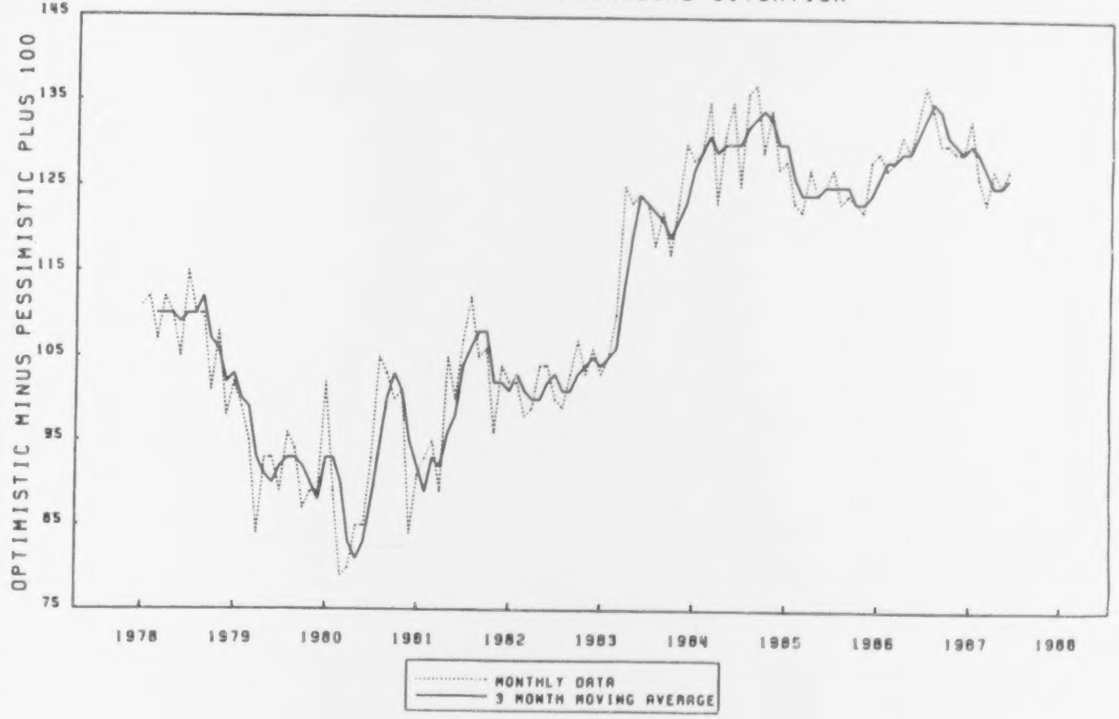


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

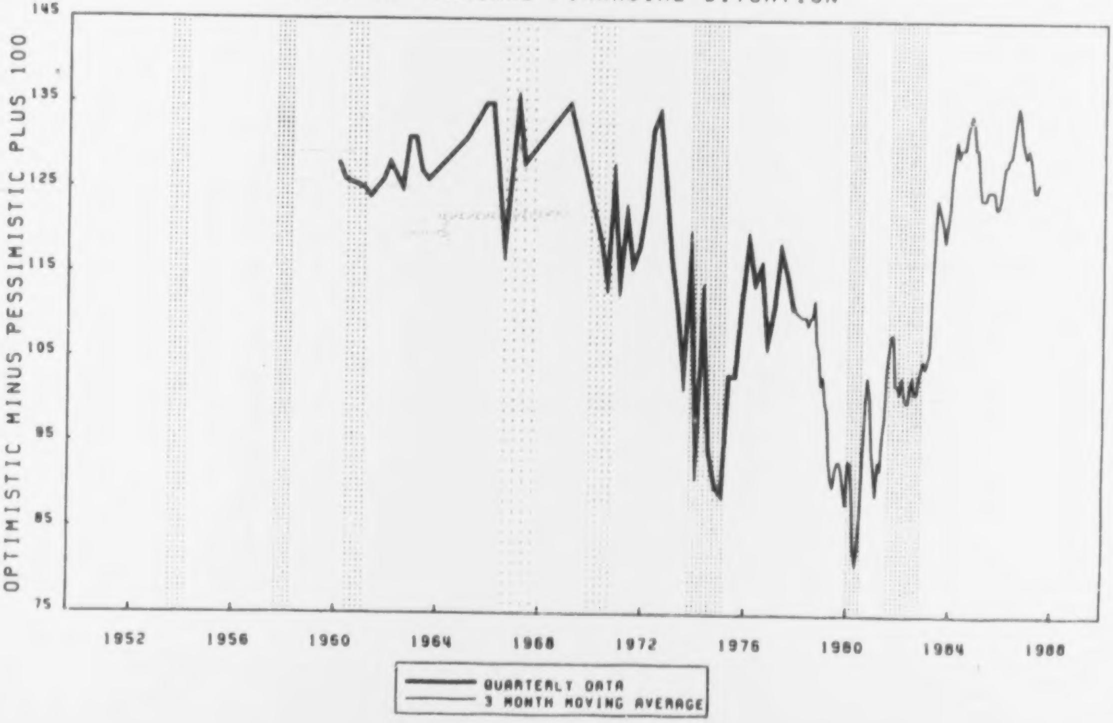


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	22%	23%	21%	21%	22%	18%	18%	22%	22%	19%	19%	17%	18%
Intermittant increase (b)	29	29	32	29	27	29	29	28	27	25	28	28	31
Remain unchanged (c)	18	19	15	16	19	22	19	17	15	22	17	20	17
Intermittant decline (d)	14	12	13	15	16	13	14	14	17	16	17	16	17
Continuous decline (e)	4	3	6	5	3	5	4	3	6	5	3	4	5
Mixed change (f)	11	11	11	10	11	10	13	12	11	10	12	12	8
DK,NA	2	3	2	4	2	3	3	4	2	3	4	3	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

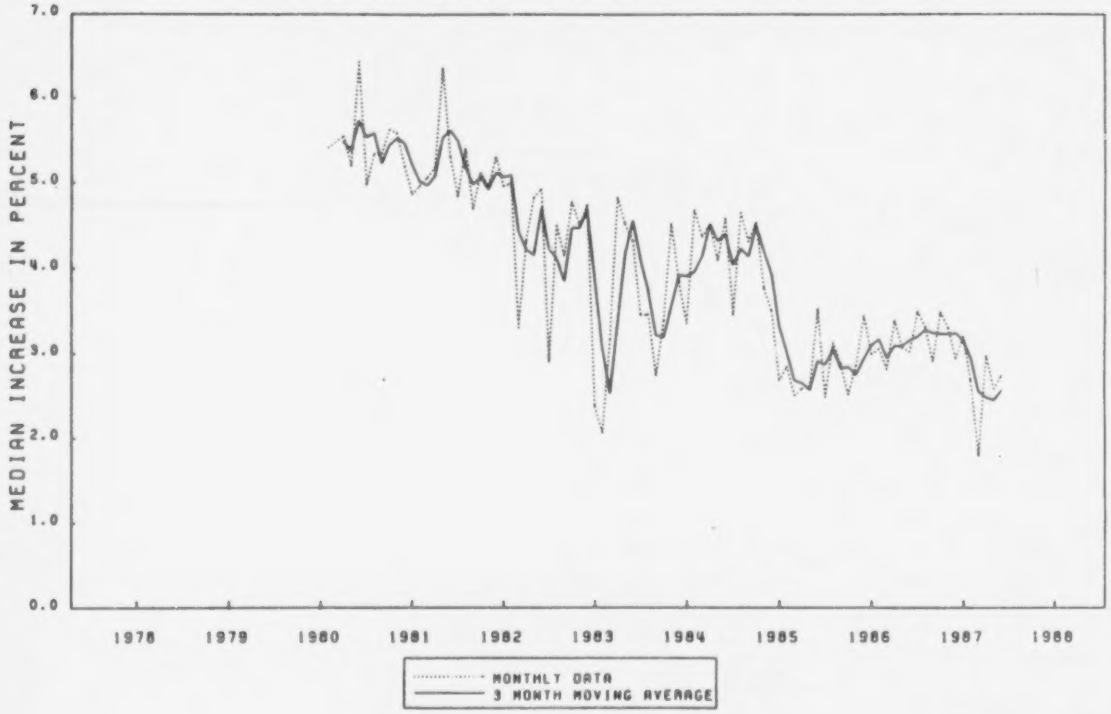


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

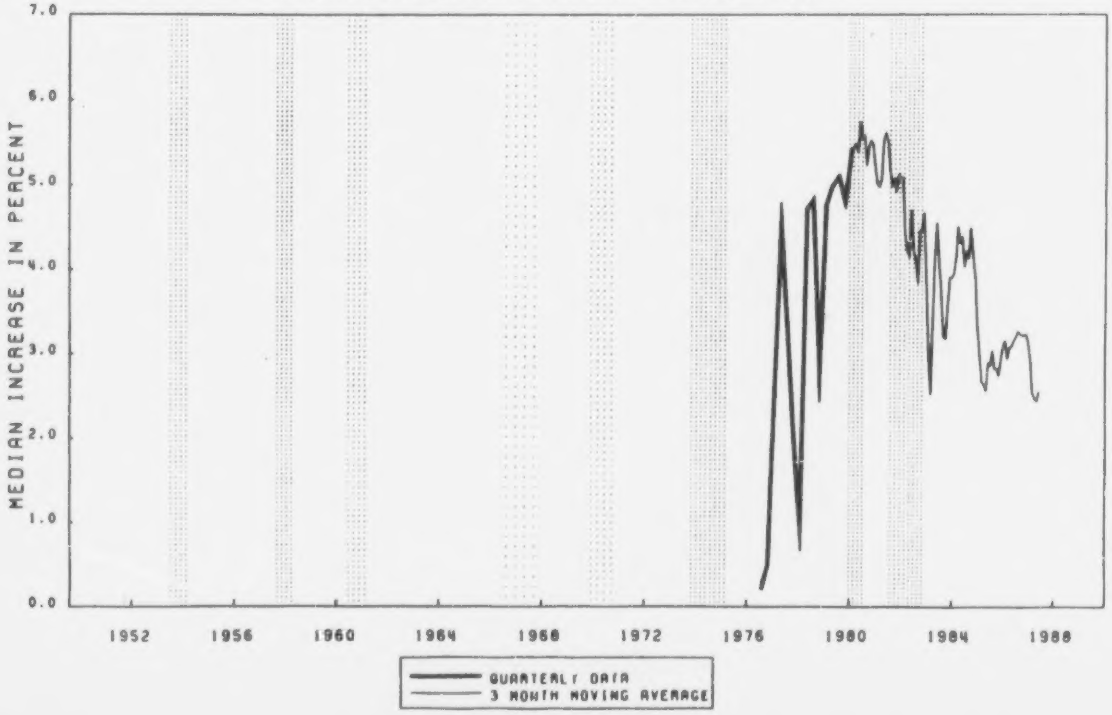


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
EXPECT INCREASE:													
1-4%	15%	15%	16%	16%	14%	17%	18%	16%	15%	17%	15%	18%	21%
5%	11	12	11	15	12	13	12	11	12	11	9	9	9
6-9%	8	8	7	7	6	9	8	8	5	7	8	8	10
10-24%	15	17	14	15	19	15	14	17	15	11	19	14	13
25% or more	7	8	9	4	7	6	6	6	6	5	5	6	5
DK how much up	3	4	5	3	3	4	4	4	6	6	4	3	4
EXPECT SAME	25	22	24	26	26	23	26	25	27	28	27	26	26
EXPECT DOWN	14	14	13	13	12	12	12	12	14	15	13	15	12
DK,NA	2	*	1	1	1	1	*	1	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

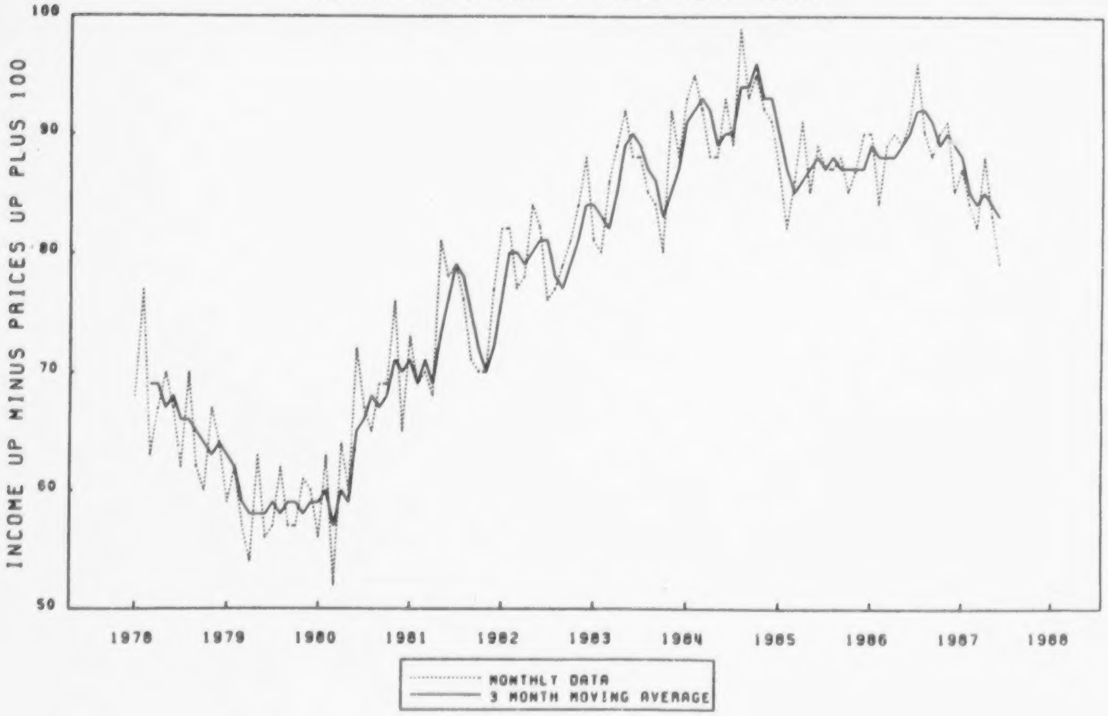


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

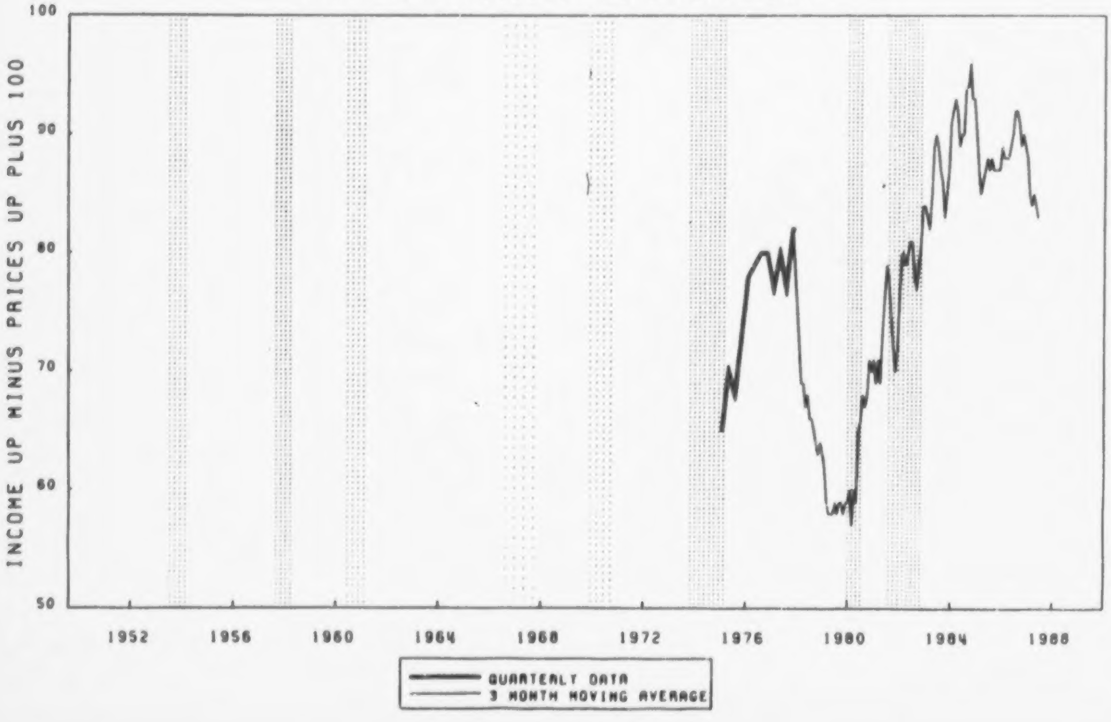


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
INCOME UP MORE	23%	24%	22%	20%	22%	21%	19%	22%	20%	18%	21%	17%	17%
INCOME UP SAME	43	47	44	47	45	47	45	41	42	44	44	48	44
PRICES UP MORE	32	28	32	32	32	30	34	35	36	36	33	34	38
DK,NA	2	1	2	1	1	2	2	2	2	2	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

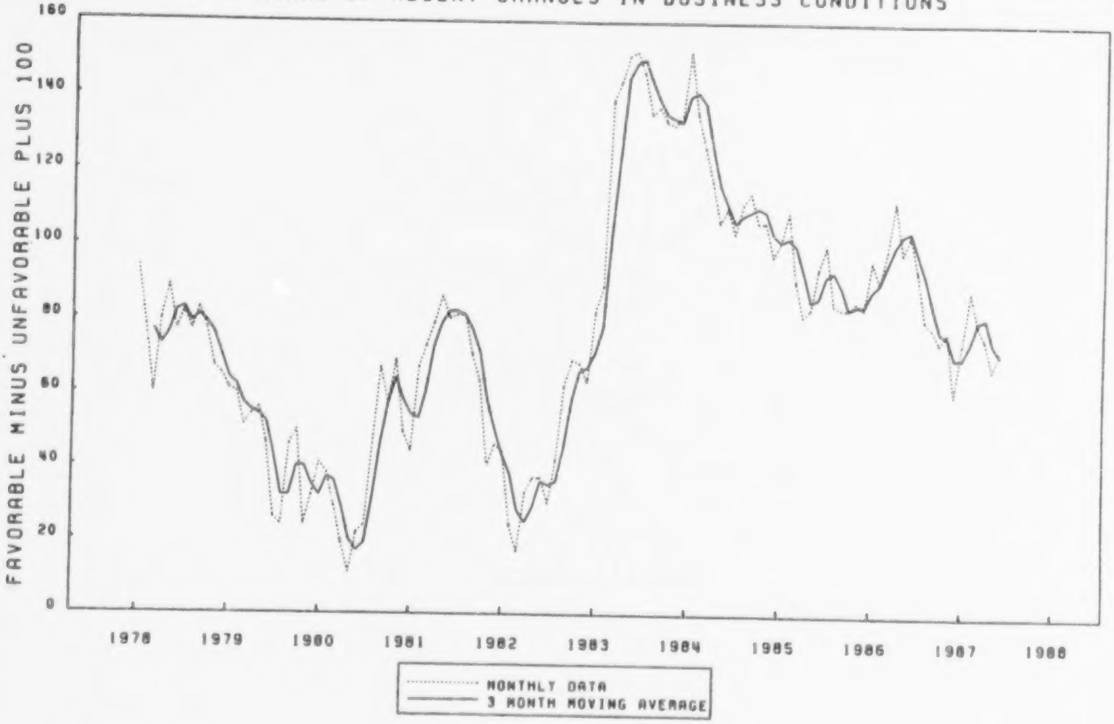


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

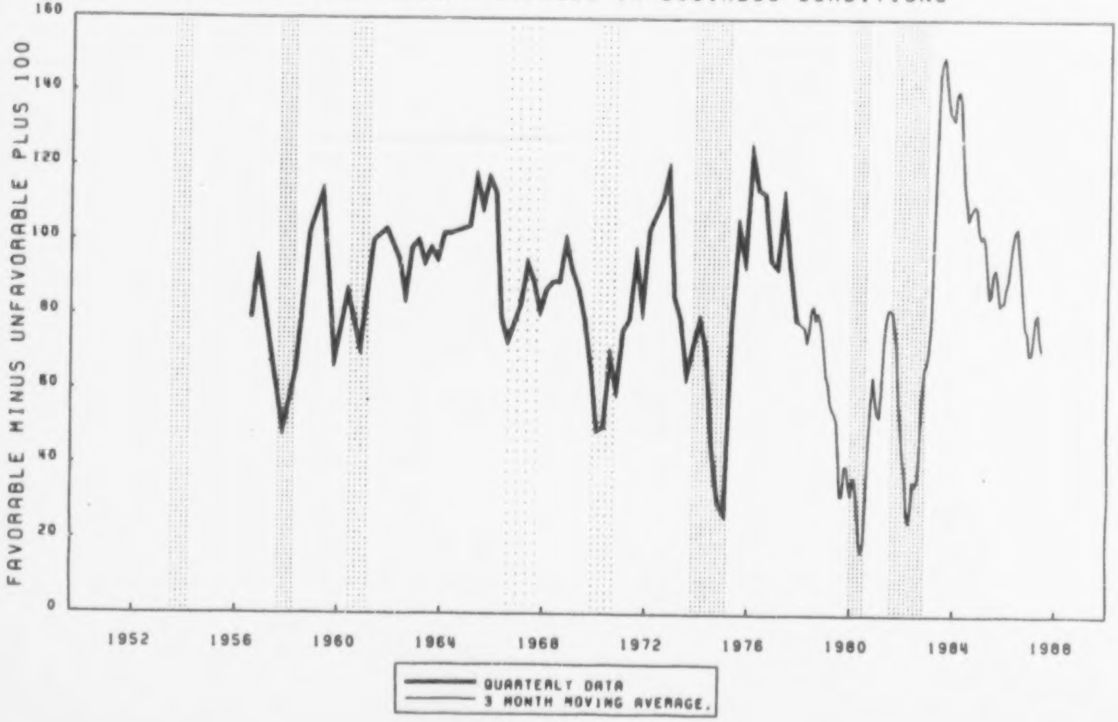


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
FAVORABLE NEWS	42%	37%	33%	29%	26%	30%	22%	26%	36%	27%	27%	26%	29%
UNFAVORABLE NEWS	39	44	53	51	52	53	62	52	48	48	52	59	57
NO MENTIONS	46	45	44	49	48	47	44	44	45	49	46	44	42

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

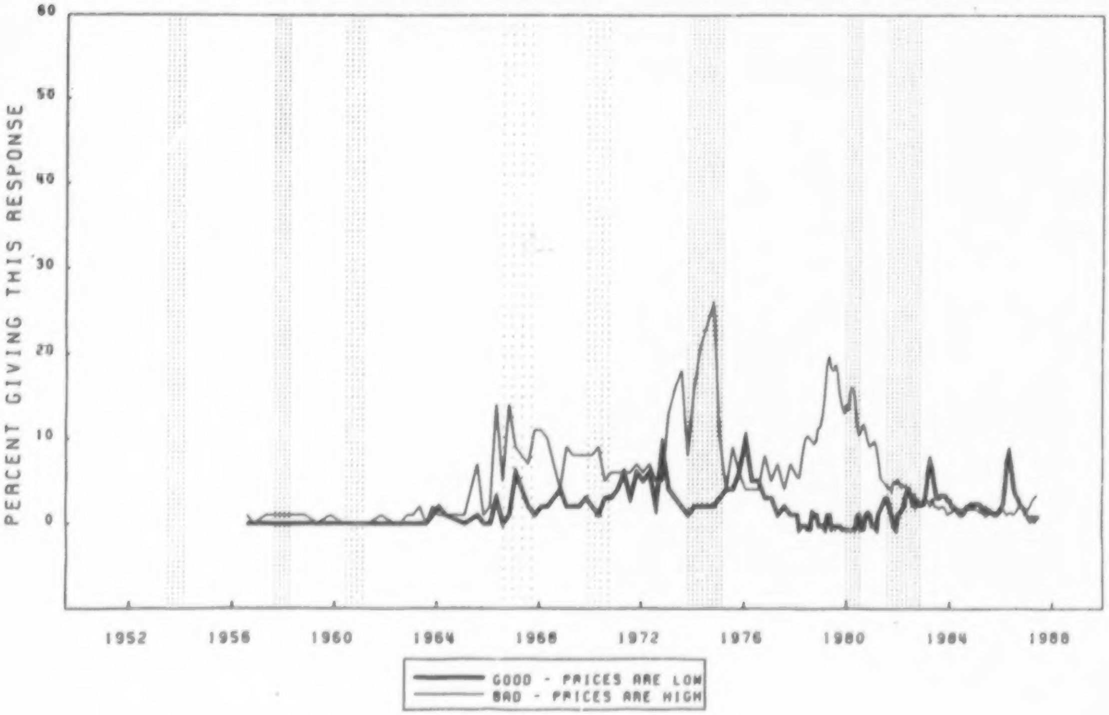


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

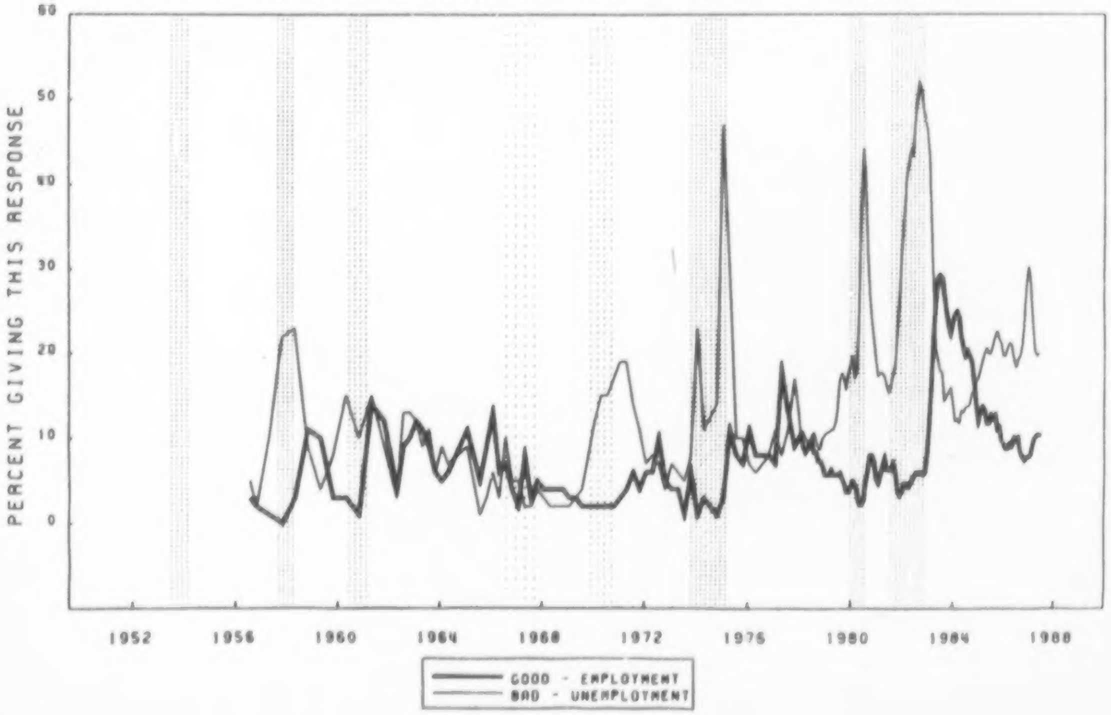


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
FAVORABLE NEWS:													
Government; elections	3%	3%	2%	2%	1%	3%	1%	2%	2%	2%	3%	1%	2%
Employment	11	9	10	6	7	9	7	7	10	11	9	11	11
Higher consumer demand	2	1	3	2	3	2	2	3	3	1	1	1	2
Lower prices	3	4	3	2	2	2	1	*	1	*	1	*	1
Easier credit	9	11	7	11	8	5	5	5	6	4	2	3	3
UNFAVORABLE NEWS:													
Government; elections	4	5	5	6	8	6	8	9	5	7	7	7	7
Unemployment	18	19	21	19	23	29	33	29	23	20	18	21	21
Lower consumer demand	2	1	2	1	2	2	4	2	3	2	2	2	3
Higher prices	1	*	3	2	2	1	2	1	2	3	3	3	4
Tighter credit	2	1	1	1	*	1	1	1	1	1	4	6	7
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

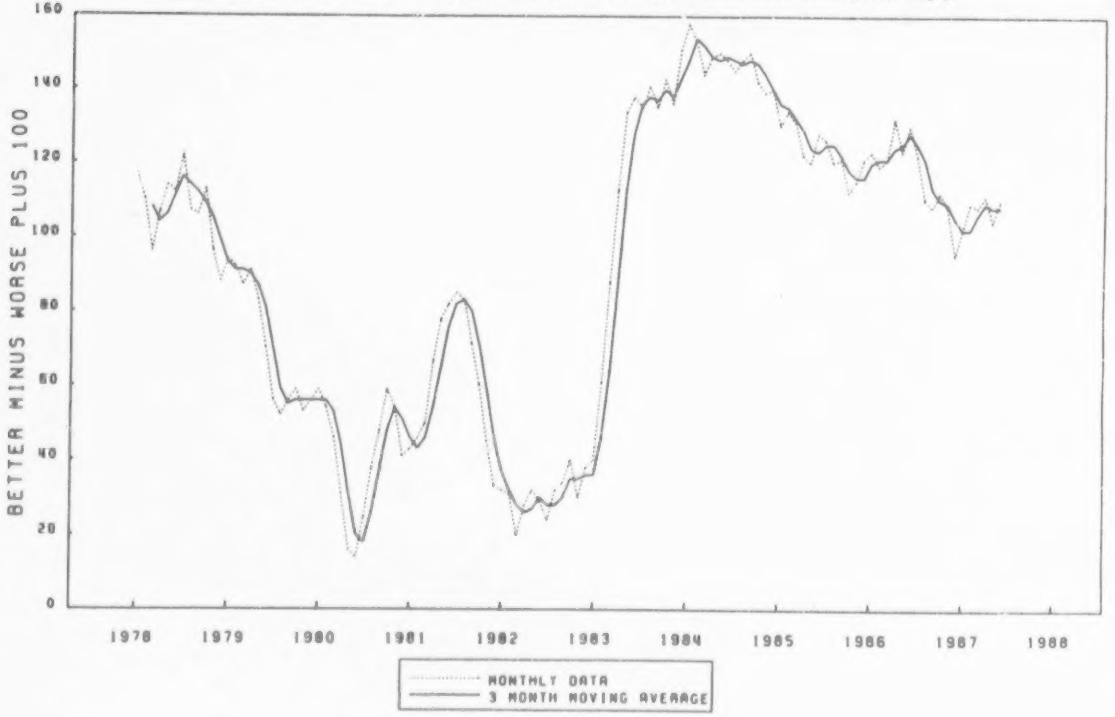


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

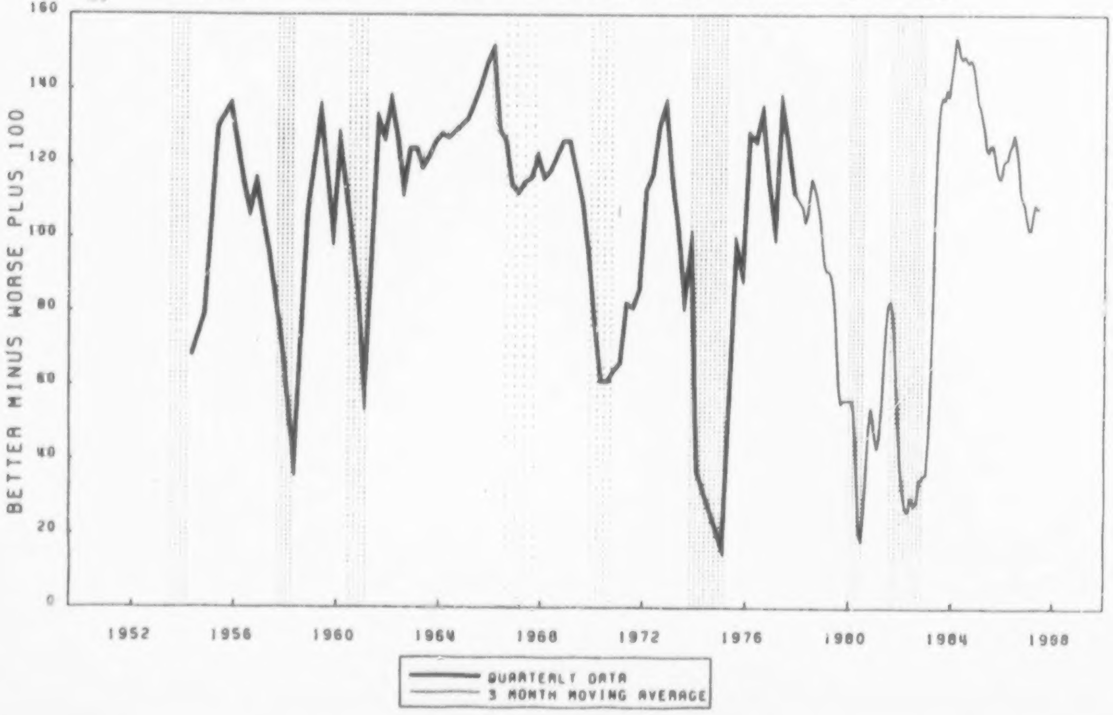


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
BETTER NOW	60%	53%	47%	47%	47%	45%	40%	43%	47%	45%	46%	43%	46%
SAME	8	14	14	13	15	16	13	14	14	17	17	16	16
WORSE NOW	30	31	37	39	35	37	45	41	38	37	35	39	36
DK,NA	2	2	2	1	3	2	2	2	1	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

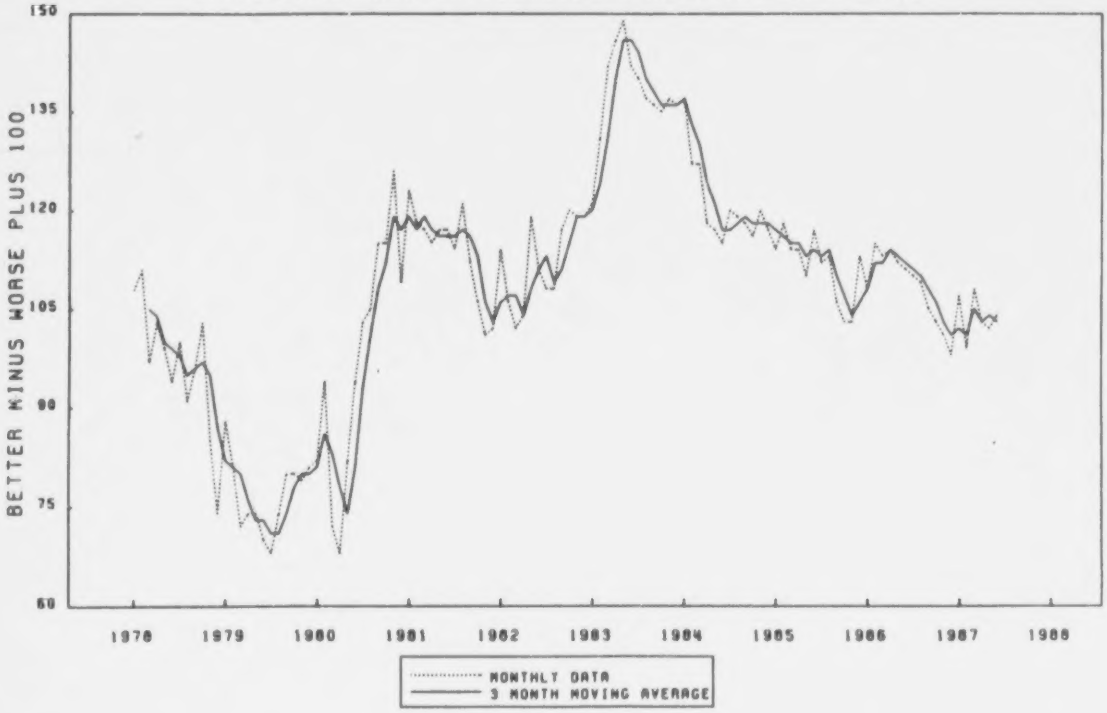


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

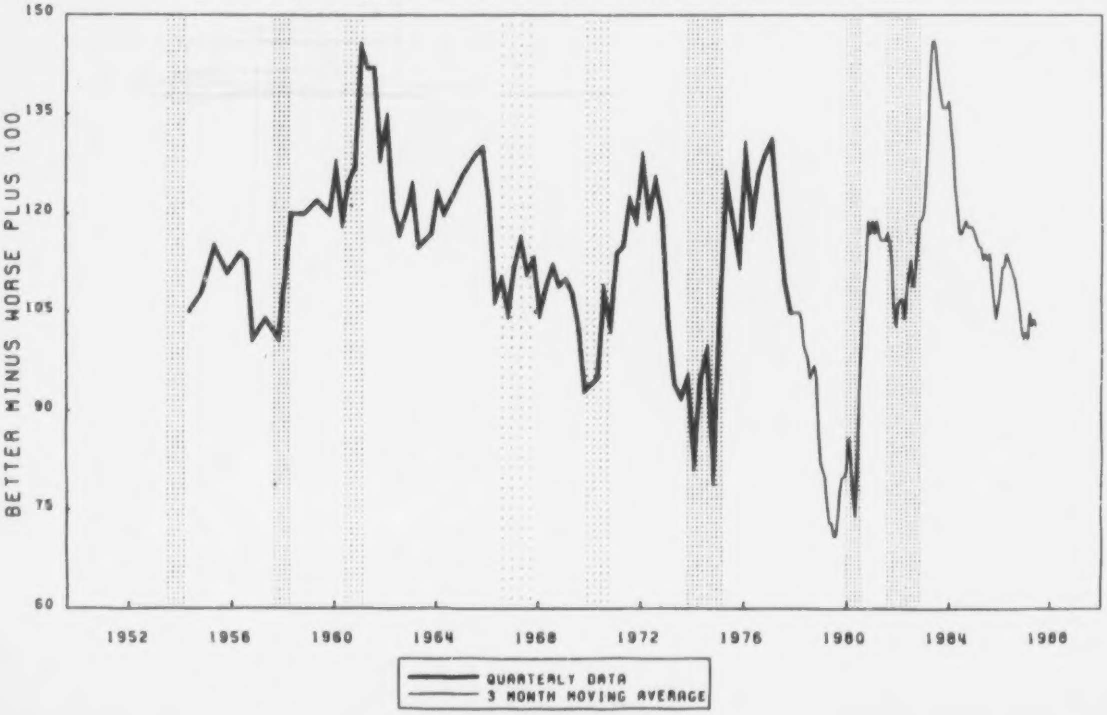


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
BETTER	25%	24%	26%	23%	21%	20%	20%	24%	22%	22%	21%	22%	23%
SAME	60	60	56	55	59	59	56	58	54	61	60	57	57
WORSE	14	14	17	18	18	19	22	17	23	14	18	20	19
DK,NA	1	2	1	4	2	2	2	1	1	3	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

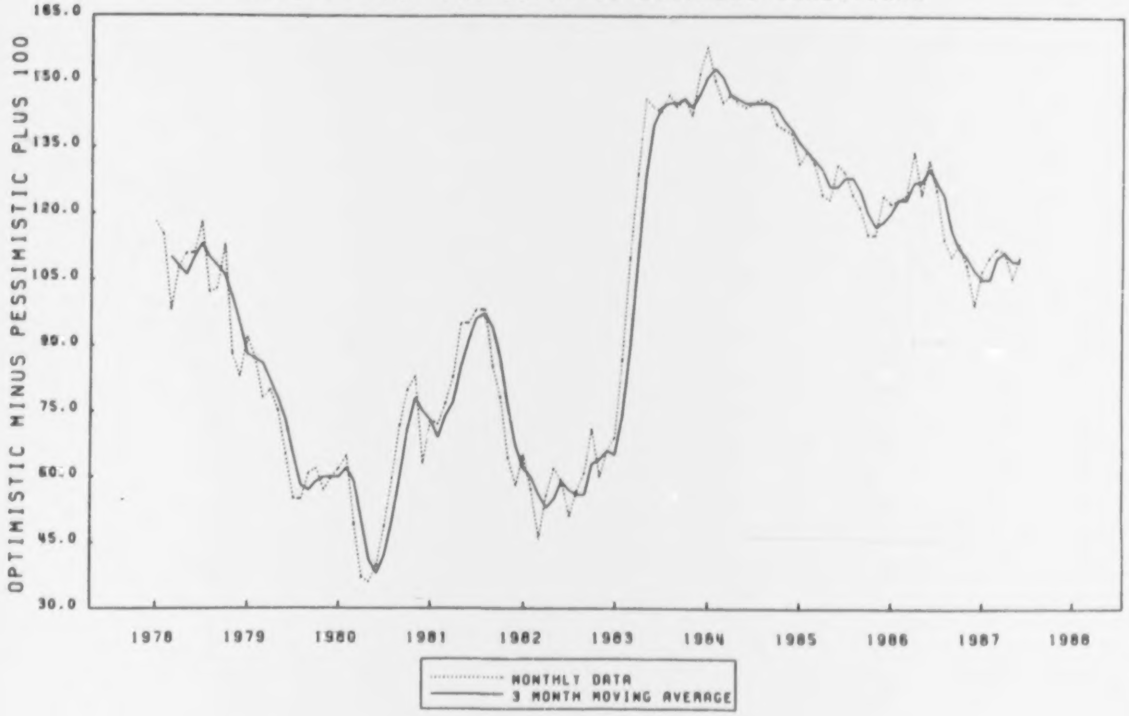


CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

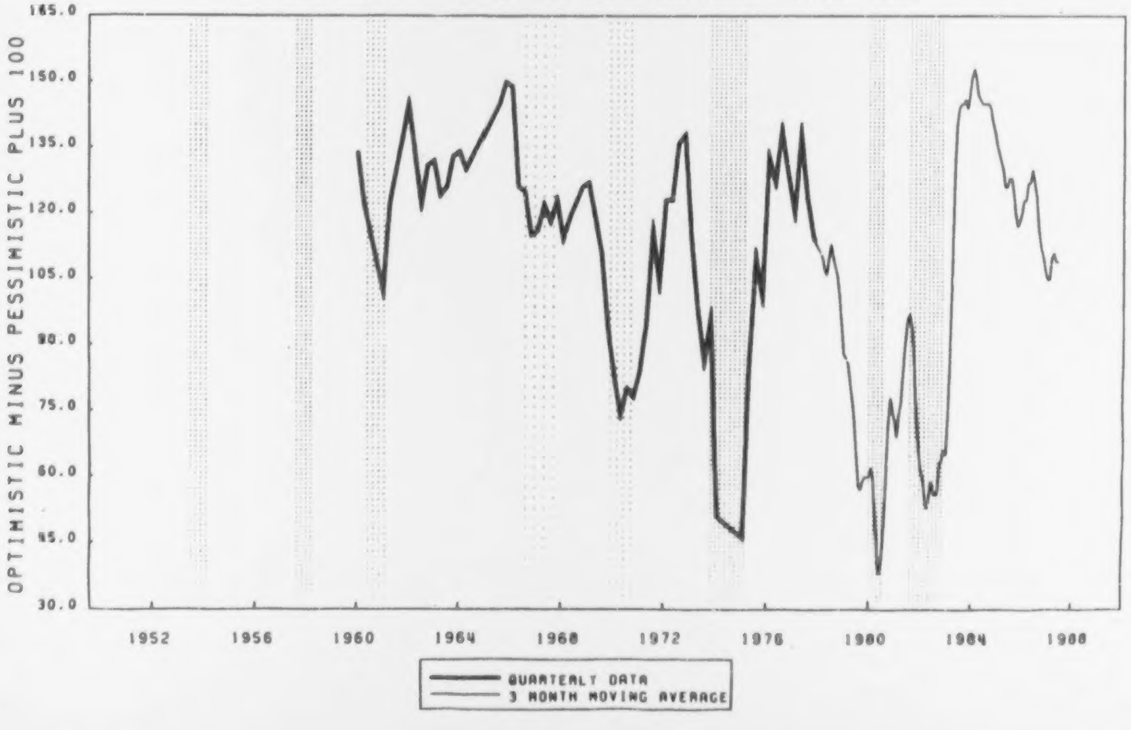


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
TREND:													
Continuous increase (a)	18%	16%	17%	15%	13%	12%	12%	15%	14%	13%	13%	12%	14%
Intermittant increase (b)	41	36	29	29	31	30	27	27	32	32	30	28	28
Remain unchanged (c)	5	10	10	8	10	10	10	10	7	11	11	10	11
Intermittant decline (d)	17	18	20	22	21	23	23	24	21	23	22	24	21
Continuous decline (e)	10	9	12	12	10	11	17	11	15	10	10	11	11
Mixed change (f)	7	8	9	10	11	11	7	10	9	7	10	12	12
DK,NA	2	3	3	4	4	3	4	3	2	4	4	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	6[illegible]3	659	651	656	653	655	657	652	652	651	654

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

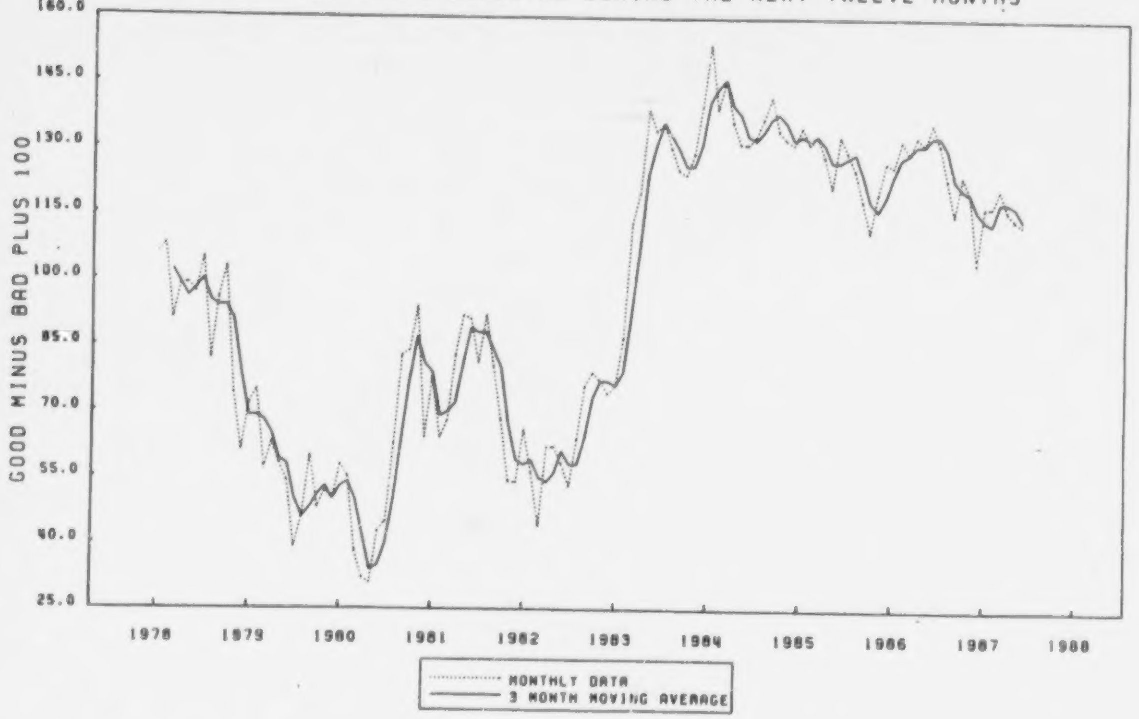


CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

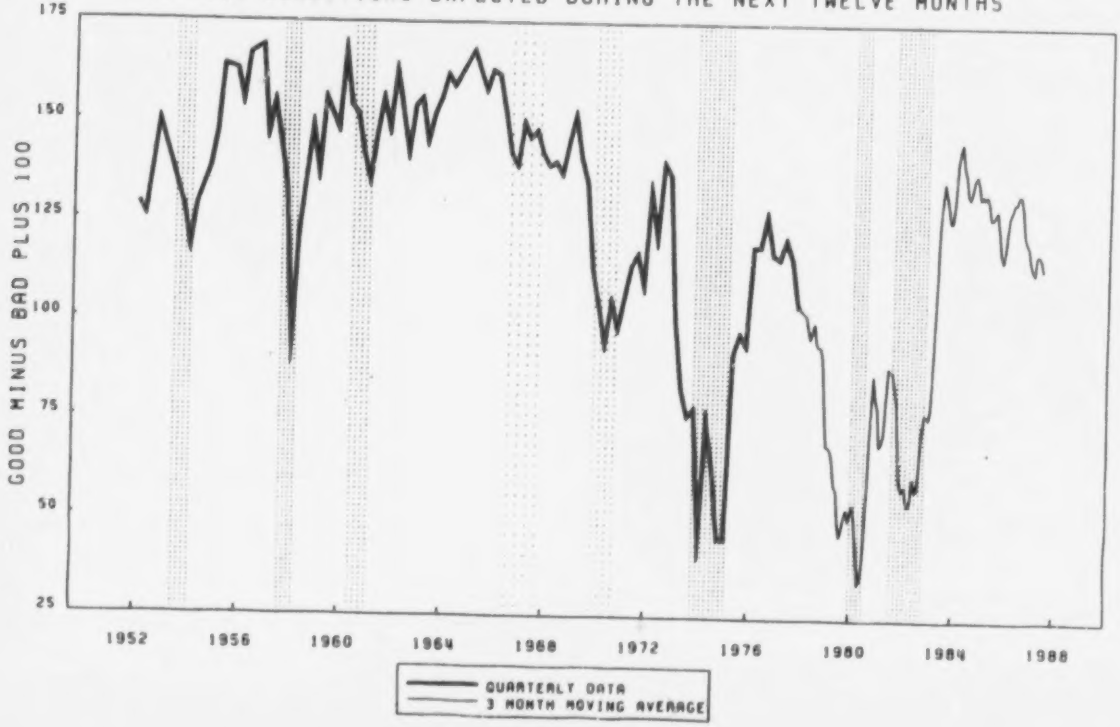


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIMES	62%	61%	55%	50%	55%	53%	45%	53%	53%	55%	51%	51%	50%
UNCERTAIN; GOOD & BAD	2	3	4	3	3	3	2	3	1	2	2	1	2
BAD TIMES	26	30	32	35	31	33	41	36	36	34	35	37	37
DON'T KNOW	6	4	5	8	4	5	5	4	5	5	8	5	5
NOT ASCERTAINED	4	2	4	4	7	6	7	4	5	4	4	6	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

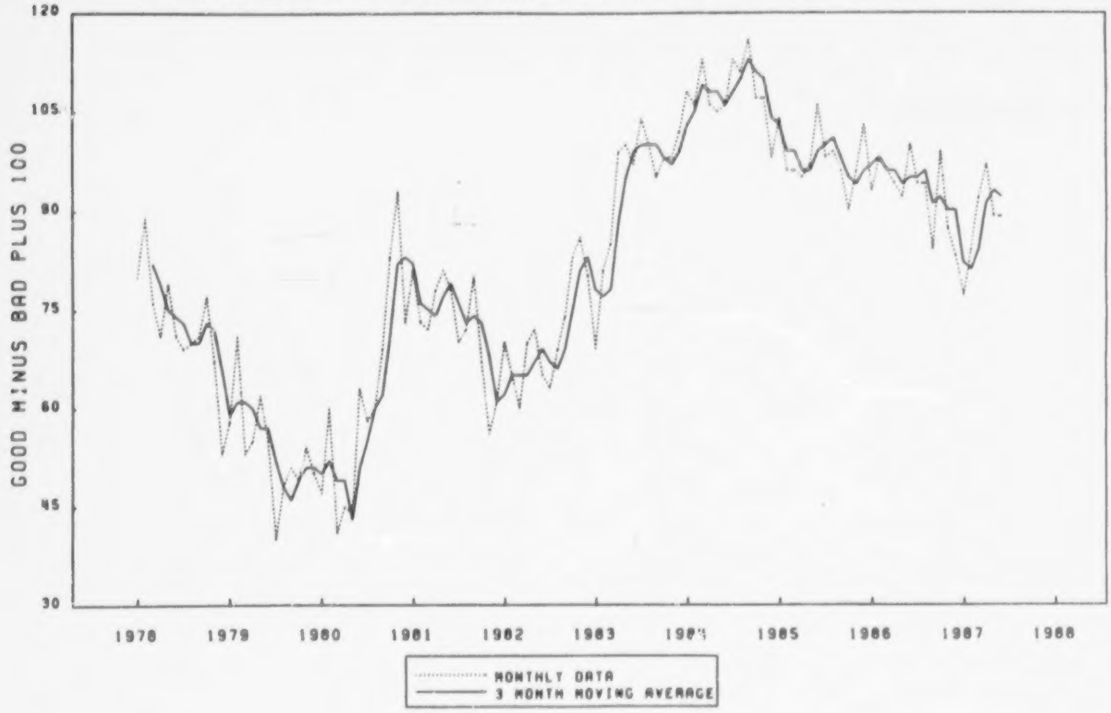


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

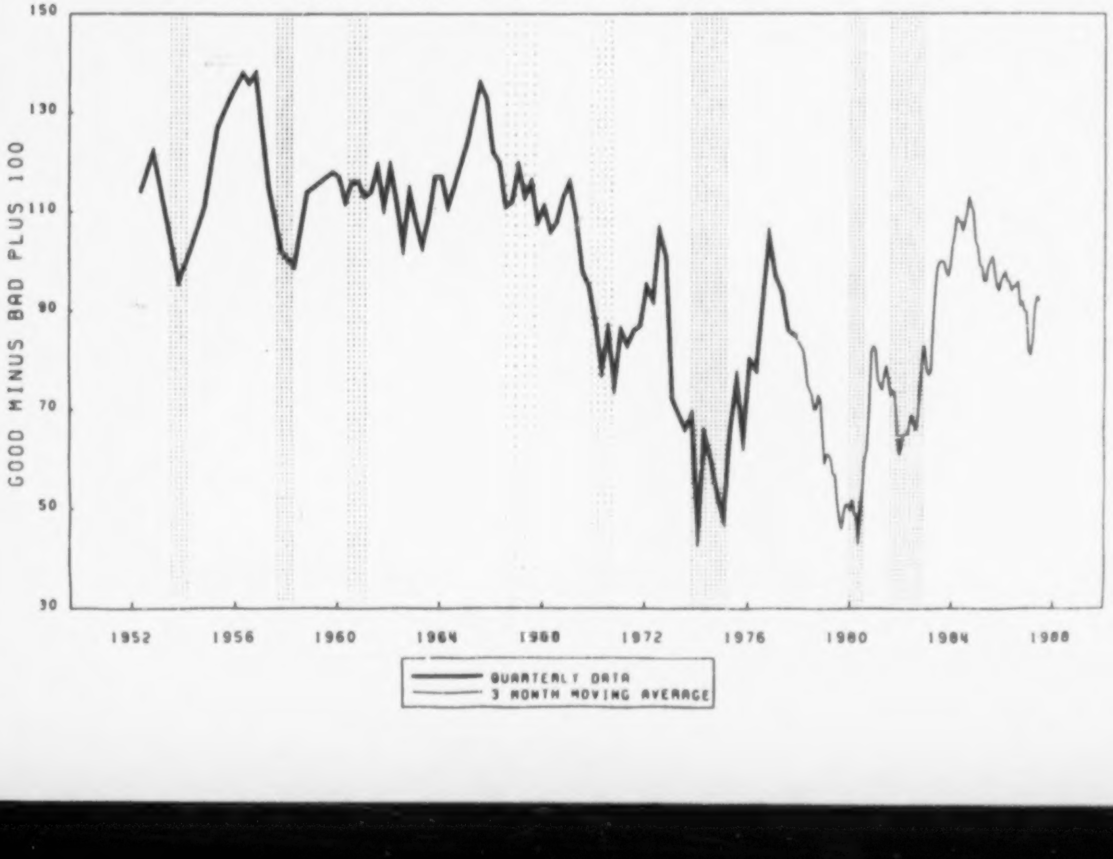


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIMES	40%	38%	39%	33%	41%	35%	33%	30%	34%	39%	41%	36%	37%
UNCERTAIN; GOOD & BAD	14	13	10	11	13	14	13	13	12	10	9	13	9
BAD TIMES	40	44	45	49	42	48	50	53	50	47	44	47	48
NOT ASCERTAINED	6	5	6	7	4	3	4	4	4	4	6	4	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

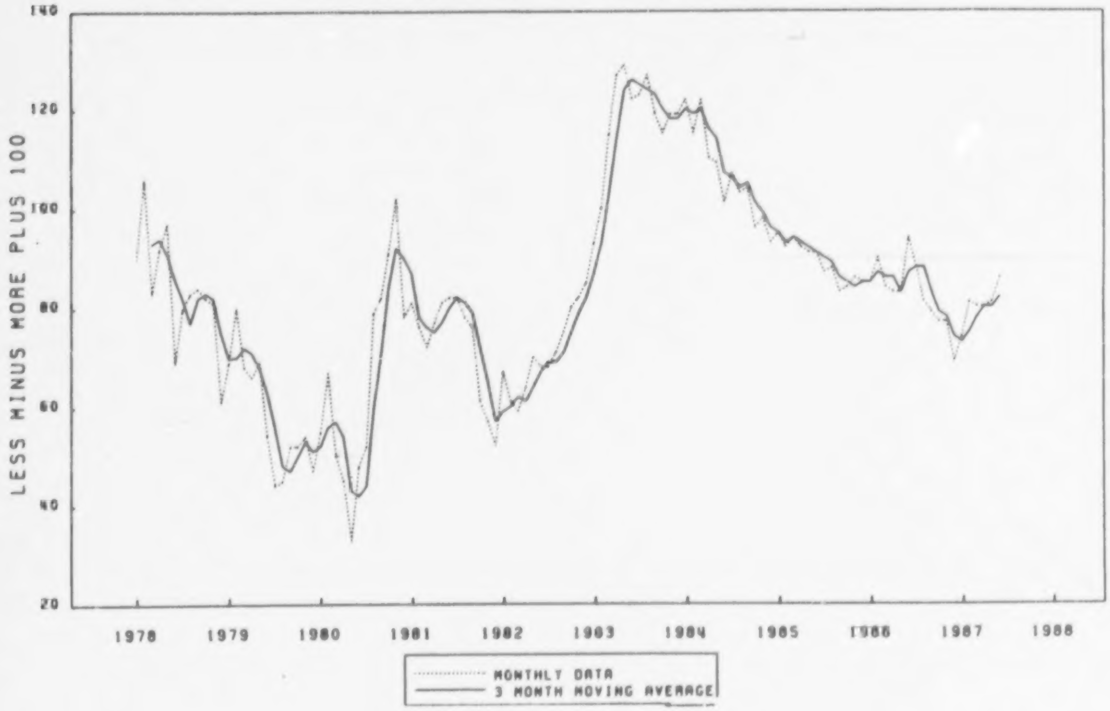


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

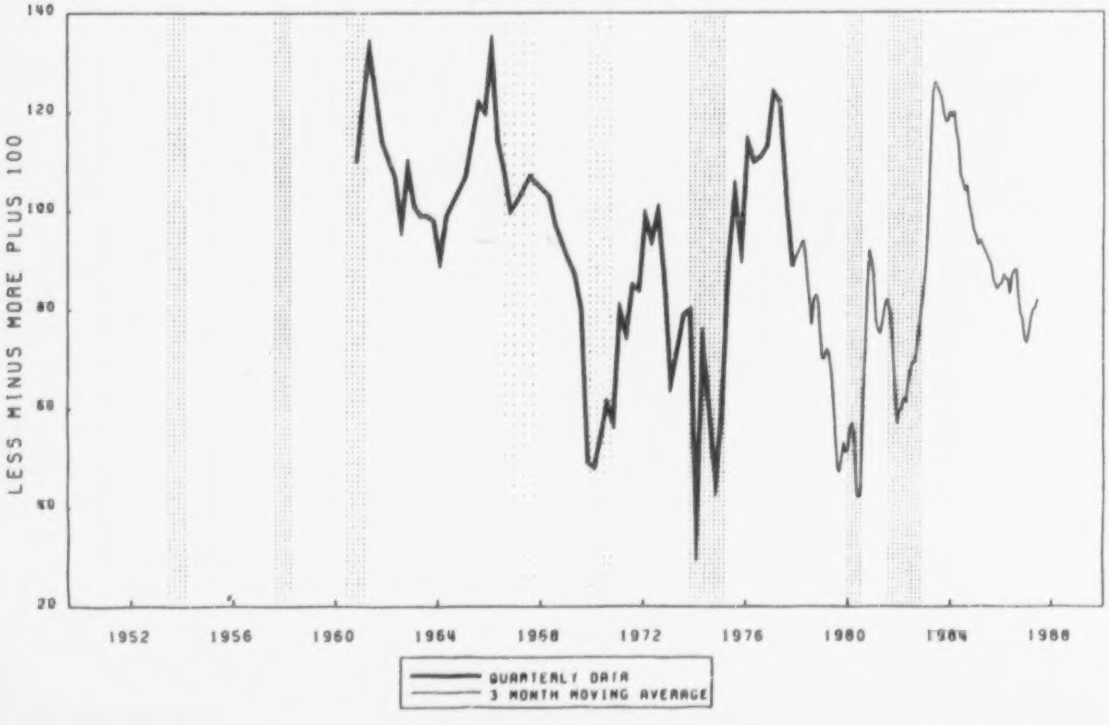


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
LESS	20%	15%	13%	11%	10%	11%	11%	12%	14%	15%	13%	13%	16%
SAME	53	56	54	54	55	54	46	49	52	48	52	53	52
MORE	26	27	32	32	33	34	42	38	33	35	33	32	30
DK,NA	1	2	1	3	2	1	1	1	1	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

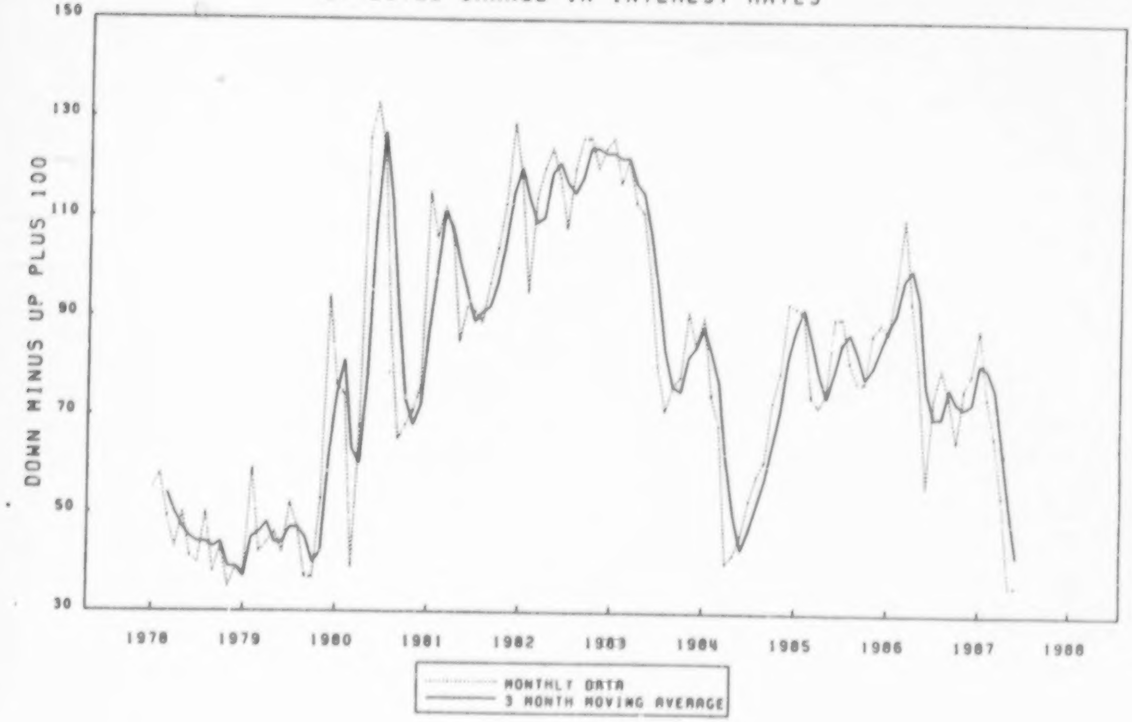


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

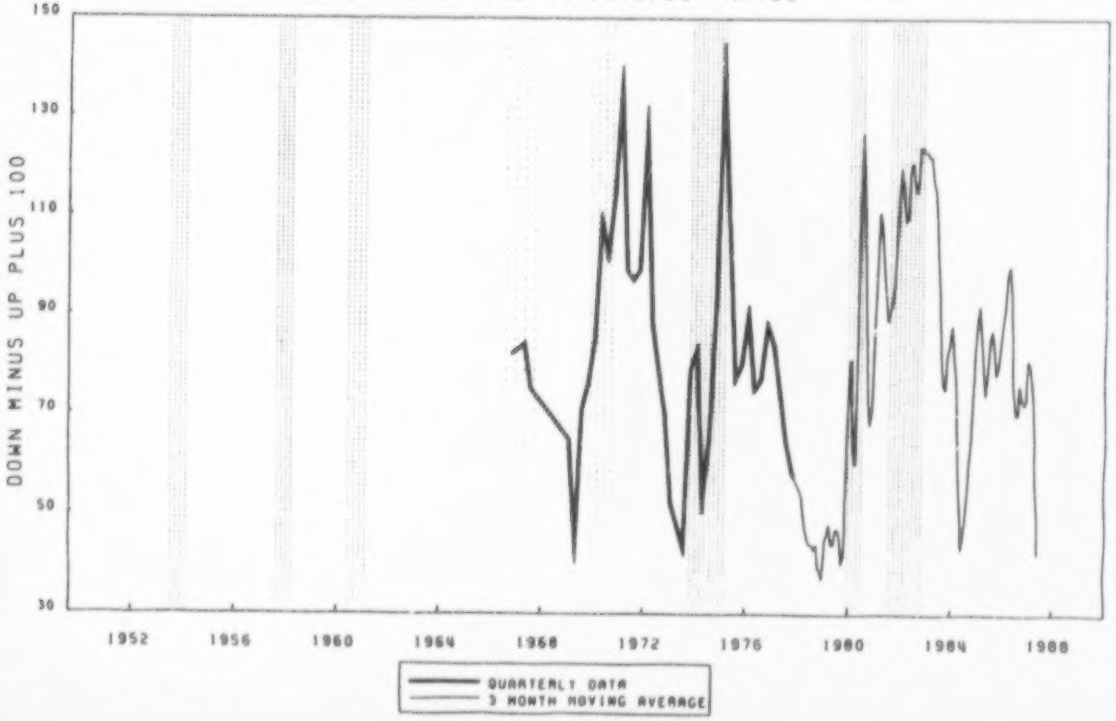


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GO UP	54%	45%	42%	49%	50%	43%	41%	37%	43%	49%	57%	71%	69%
STAY THE SAME	34	35	34	26	33	37	37	35	38	33	29	21	24
GO DOWN	10	19	22	23	15	19	20	25	17	15	11	7	5
DK,NA	2	1	2	2	2	1	2	3	2	3	3	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

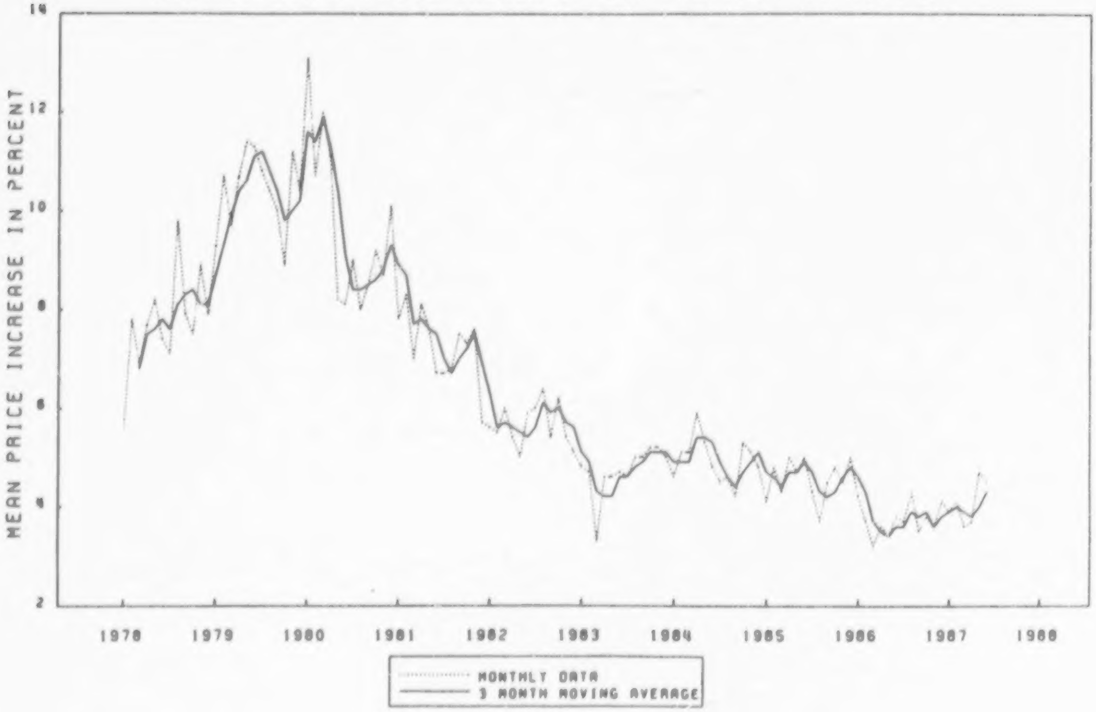


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

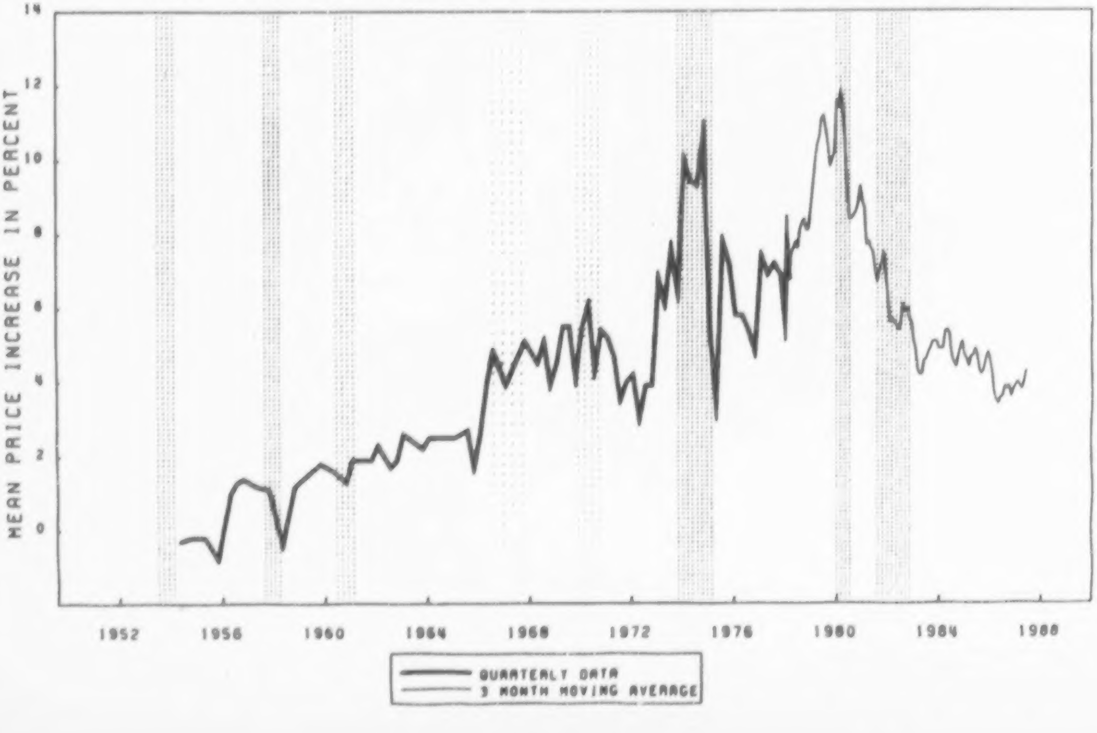


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
SAME OR DOWN	22%	29%	21%	23%	22%	22%	20%	20%	21%	21%	19%	15%	14%
WILL GO UP BY:													
1-2%	20	13	18	18	17	19	18	18	17	19	19	18	18
3-4%	20	23	24	23	19	25	23	24	21	21	23	23	25
5%	16	16	14	16	21	15	17	14	18	18	16	18	17
6-9%	6	5	7	5	5	6	7	6	5	6	8	10	7
10-14%	6	5	8	5	8	7	6	7	9	5	7	7	8
15% or more	4	4	4	3	2	2	4	4	4	3	2	4	4
DK how much up	5	4	4	6	5	3	4	6	5	6	6	4	6
DK,NA	1	1	*	1	1	1	1	1	*	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.8	3.7	4.3	3.5	3.8	3.6	4.1	3.9	4.1	3.6	3.7	4.7	4.5
VARIANCE	23	32	38	18	17	28	32	25	26	18	21	36	27
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

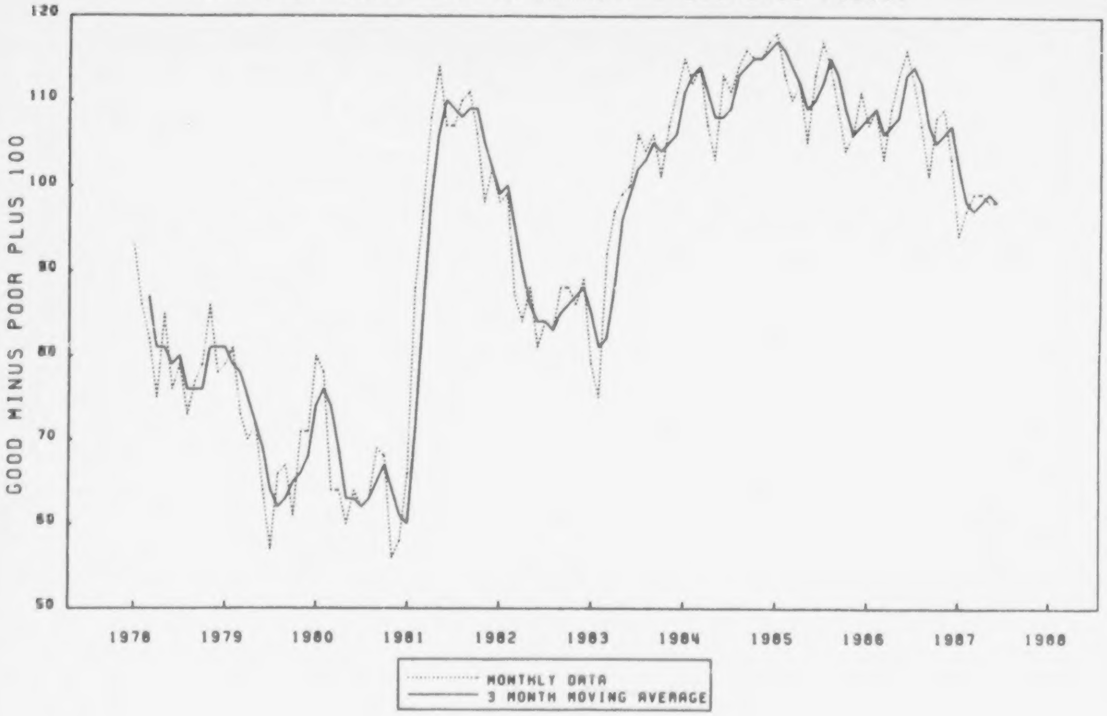


CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

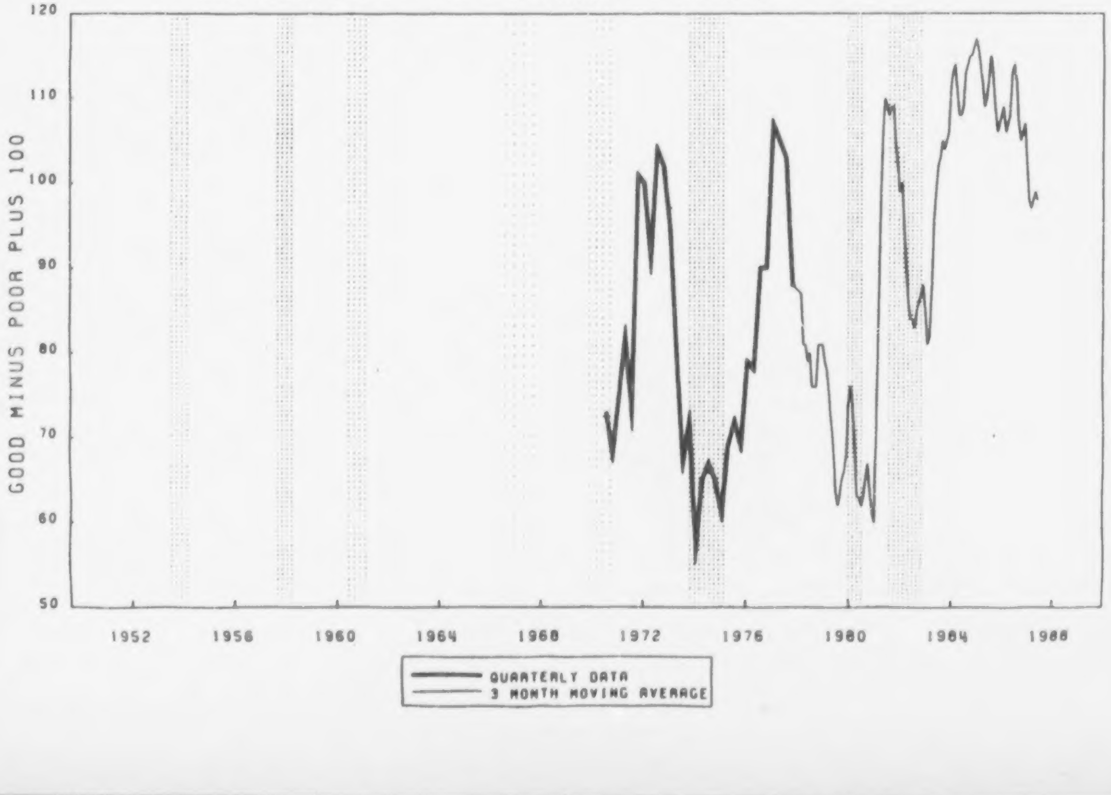


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
A GOOD JOB	33%	29%	28%	22%	27%	28%	26%	20%	23%	23%	21%	21%	23%
ONLY FAIR	49	52	50	54	52	51	49	52	49	52	55	55	49
A POOR JOB	17	17	21	21	19	19	23	26	26	24	22	23	25
DK,NA	1	2	1	3	2	2	2	2	2	1	2	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

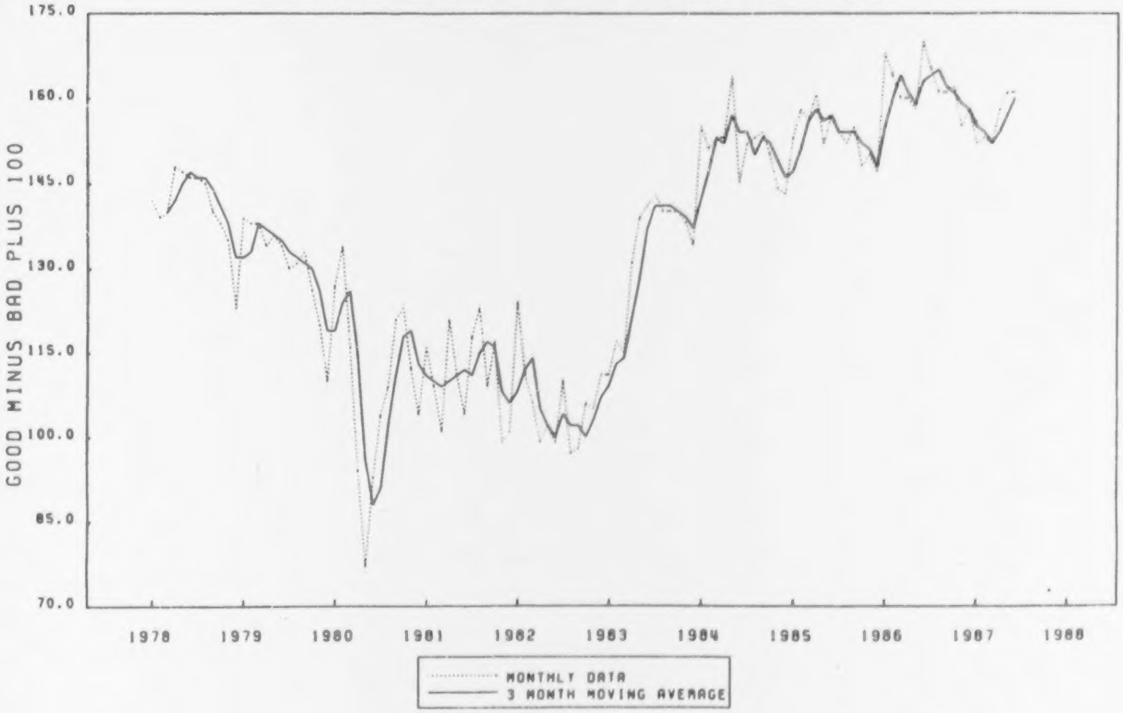


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

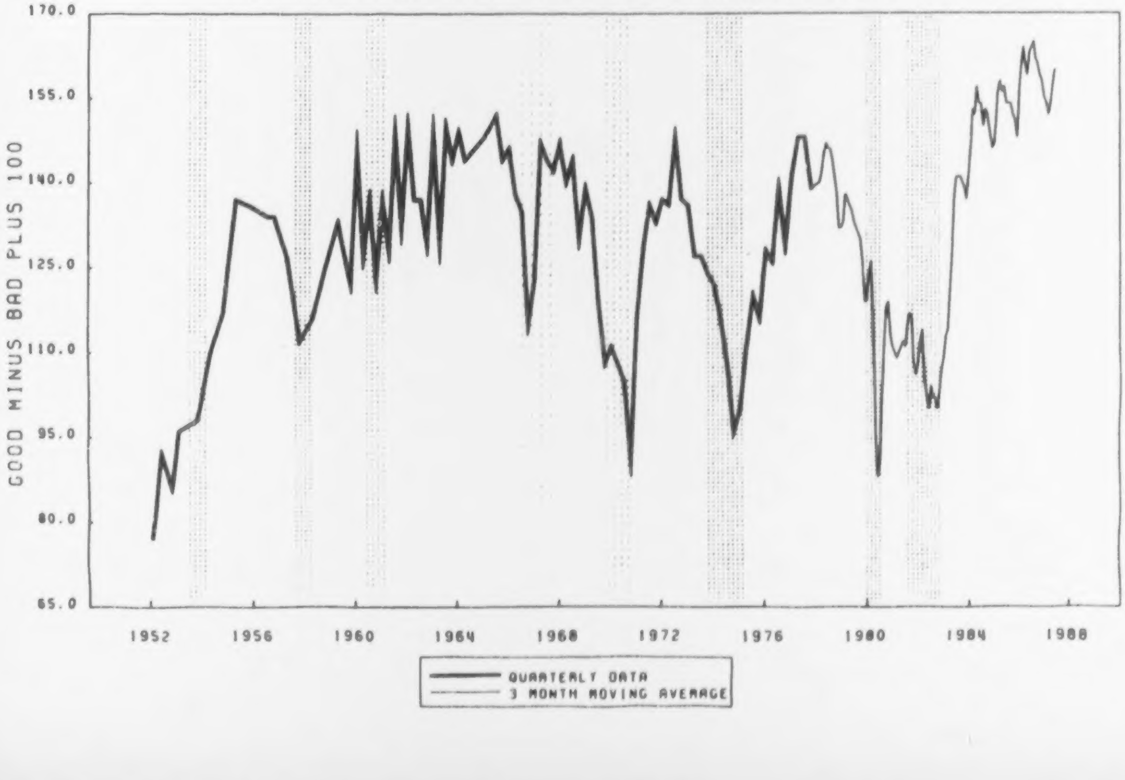


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIME TO BUY	81%	79%	77%	76%	76%	72%	75%	72%	73%	71%	74%	76%	76%
UNCERTAIN, DEPENDS	8	7	7	9	10	11	8	8	7	10	10	9	9
BAD TIME TO BUY	11	14	16	15	14	17	17	20	20	19	16	15	15
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

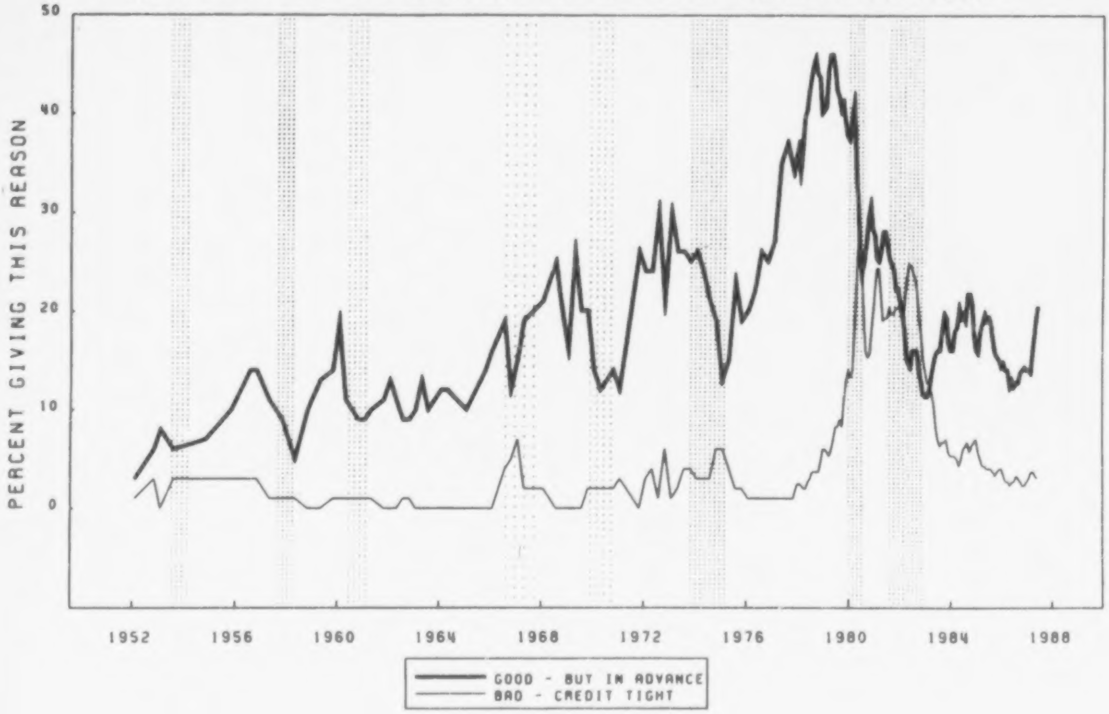


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

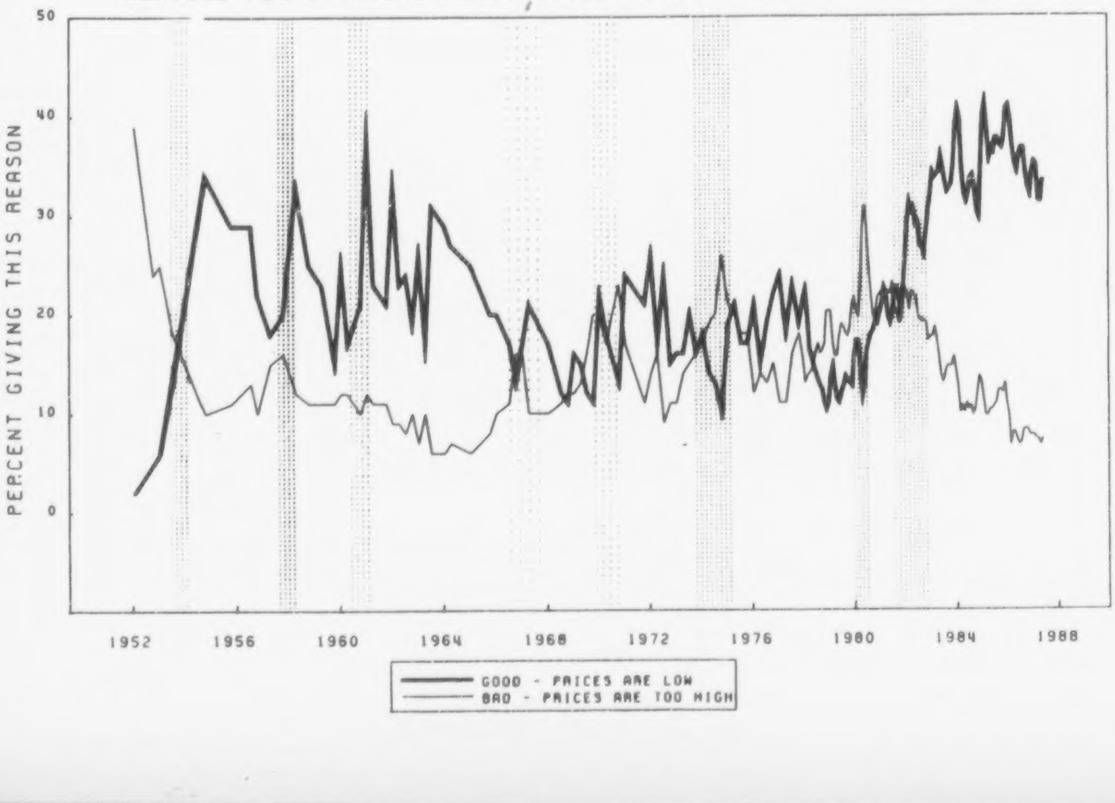


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	40%	35%	35%	33%	30%	33%	40%	33%	32%	29%	33%	38%
Prices won't come down; are going higher	14	11	13	14	14	14	15	13	14	14	20	20	21
Interest rates low; credit is easy	31	26	26	29	26	25	18	20	21	23	21	19	15
BAD TIME TO BUY:													
Prices are high	6	7	8	10	7	8	8	7	8	7	7	6	9
Interest rates are high; credit is tight	3	3	4	2	2	3	2	3	4	4	3	3	3
Lack of purchasing power	5	6	7	8	7	8	6	8	7	8	5	4	6

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

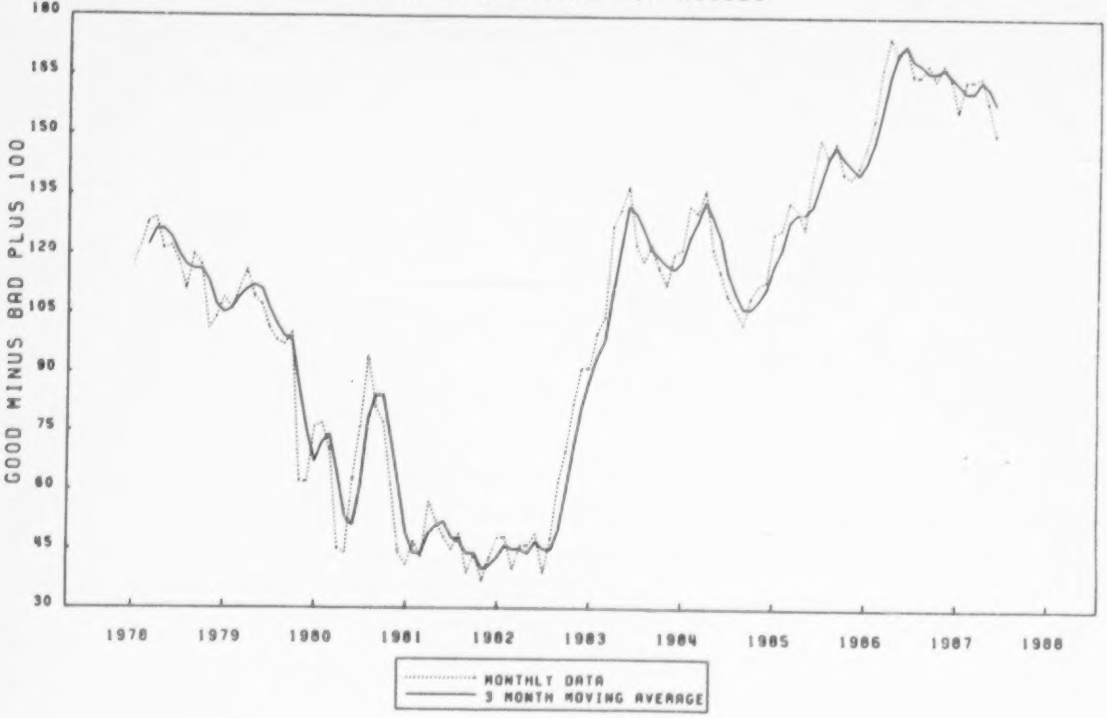


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

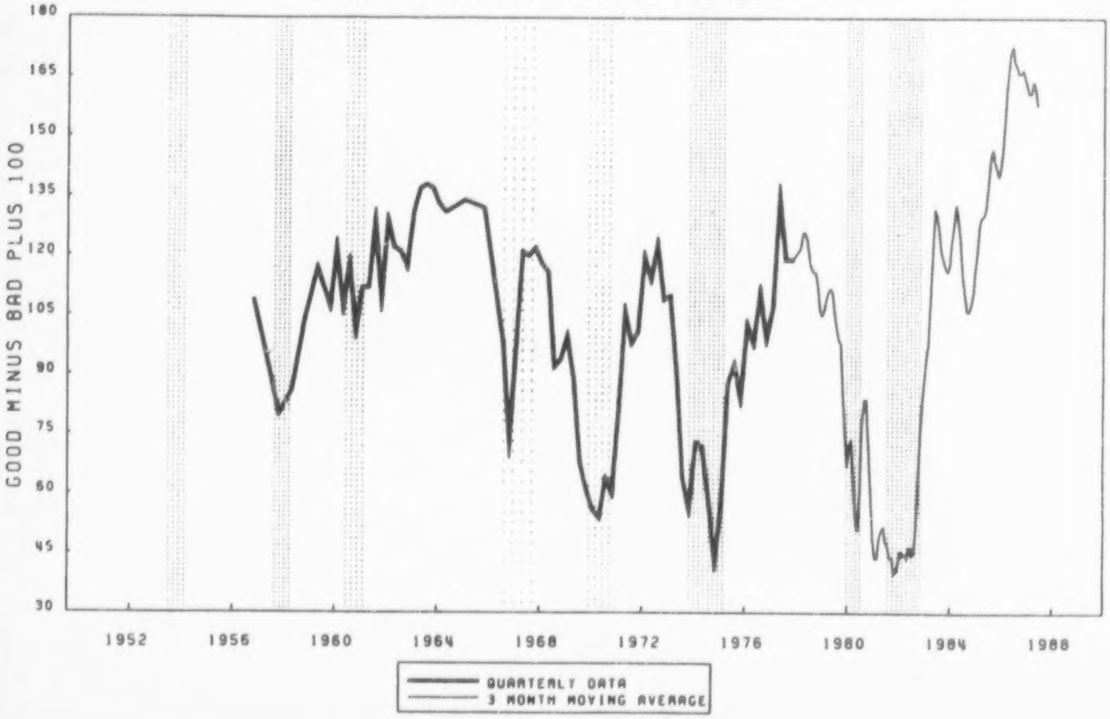


TABLE 23

BUYING CONDITIONS FOR HOUSES

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIME TO BUY	86%	82%	81%	83%	81%	83%	80%	76%	81%	80%	82%	77%	73%
UNCERTAIN, DEPENDS	1	1	3	2	2	2	4	4	2	4	1	4	4
BAD TIME TO BUY	13	17	16	15	17	15	16	20	17	16	17	19	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	557	652	652	651	654

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

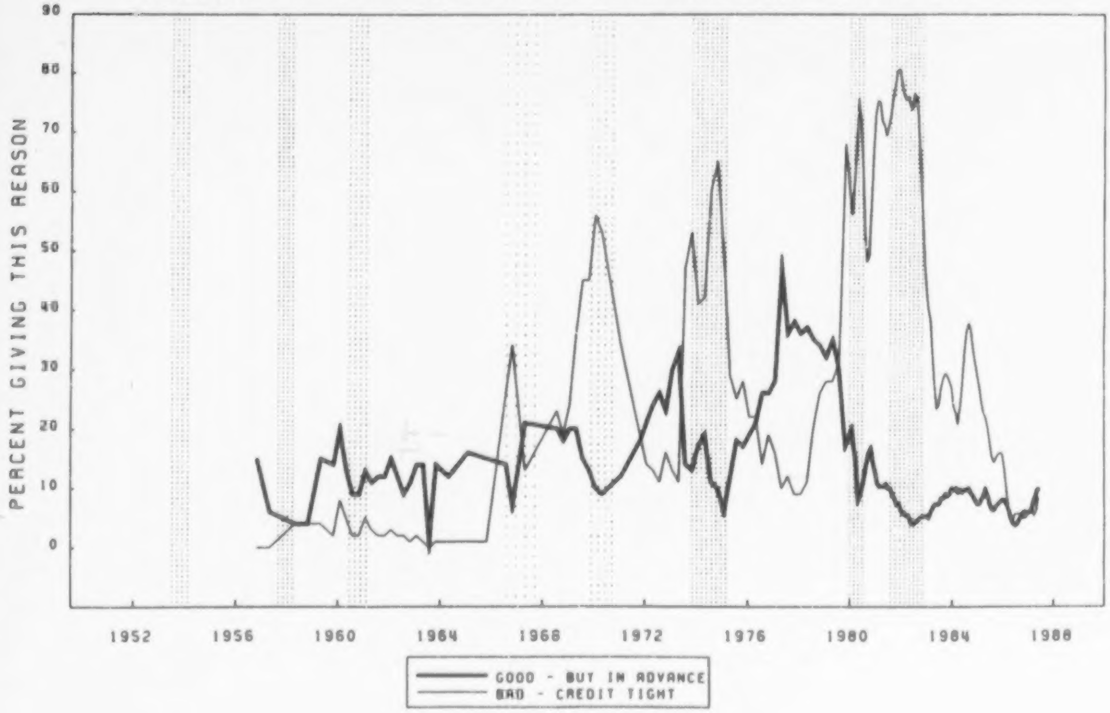


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

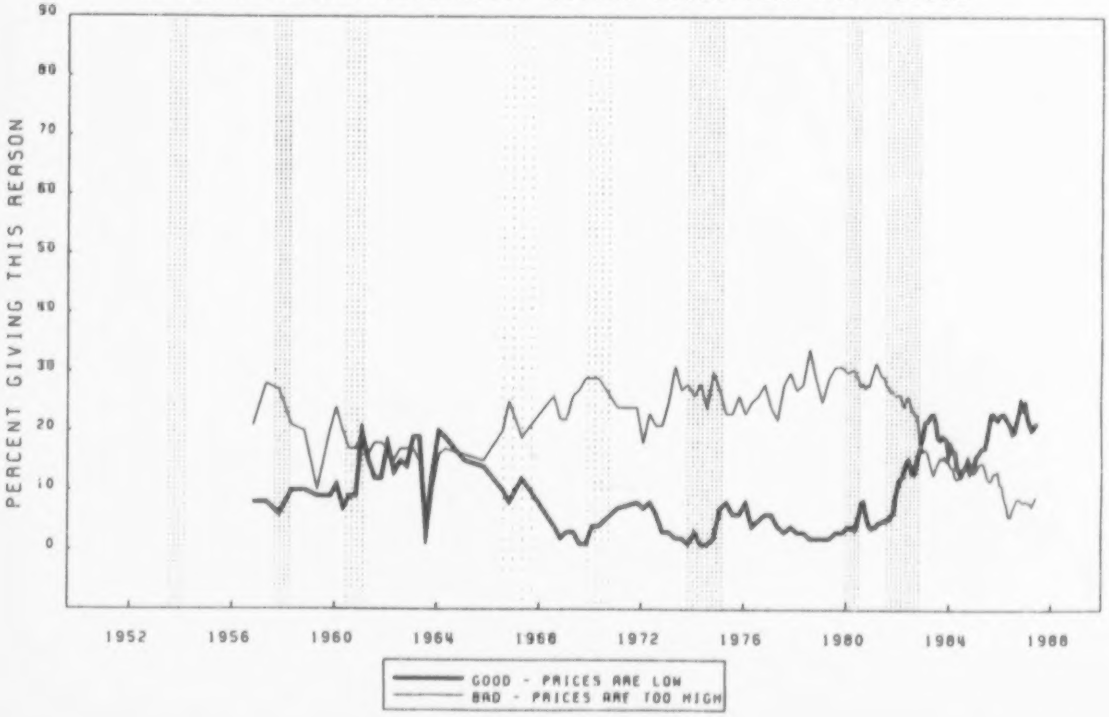


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	18%	21%	26%	22%	27%	23%	24%	21%	19%	21%	22%	21%
Prices won't come down; are going higher	4	4	4	6	6	6	6	5	7	8	9	9	11
Interest rates low; credit is easy	83	77	78	79	75	75	73	69	74	71	71	66	63
Good investment	3	5	3	5	6	5	6	6	3	6	7	5	5
BAD TIME TO BUY:													
Prices are high	6	9	8	9	9	7	8	10	6	8	8	9	10
Interest rates are high; credit is tight	5	7	5	5	5	5	5	7	6	6	4	9	12
Lack of purchasing power	6	7	8	6	8	8	7	9	8	6	8	6	8

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

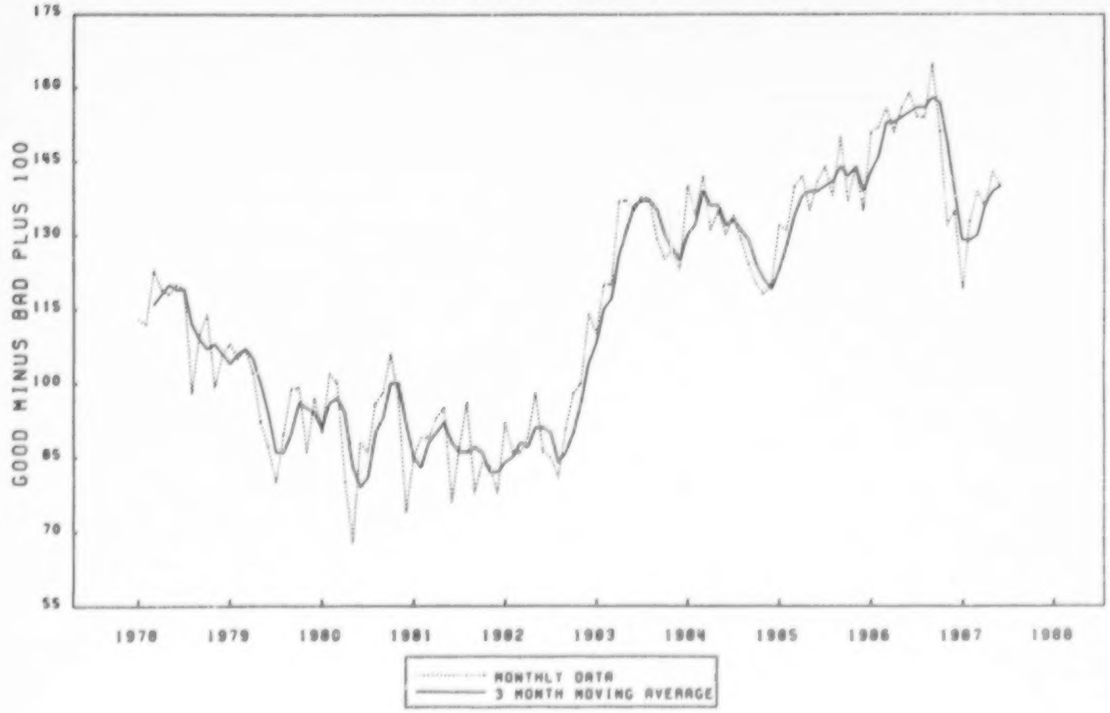


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

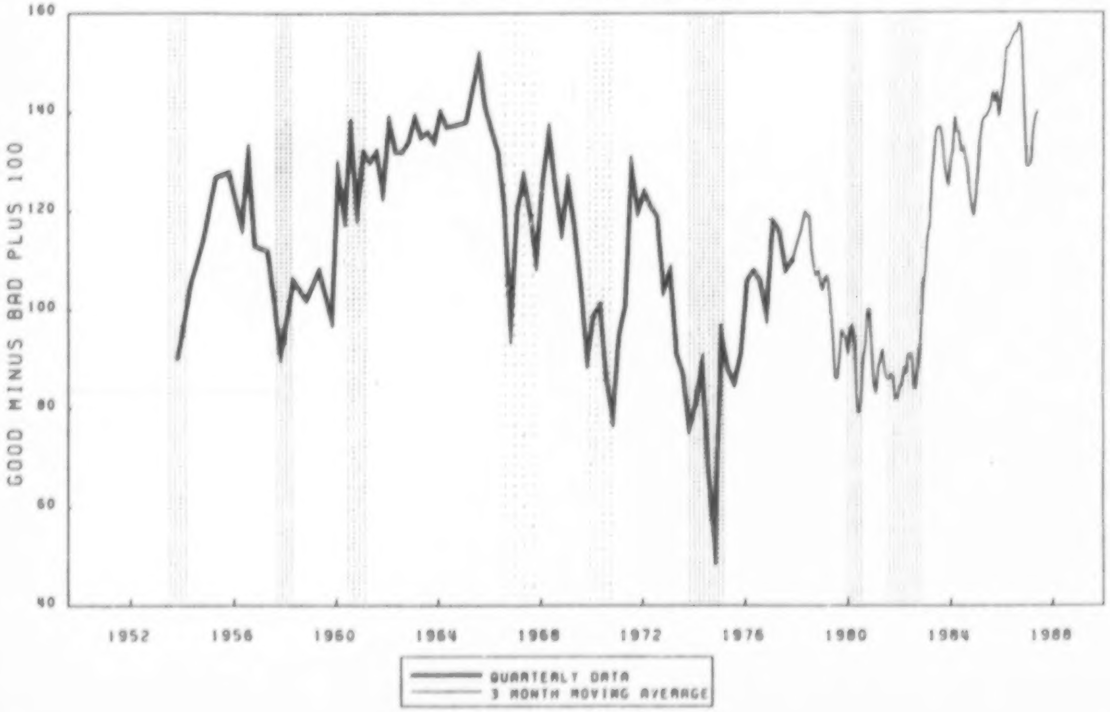


TABLE 25

BUYING CONDITIONS FOR CARS

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIME TO BUY	77%	74%	73%	81%	72%	63%	64%	55%	62%	66%	64%	67%	65%
UNCERTAIN; DEPENDS	5	6	8	3	7	6	7	9	9	7	8	9	10
BAD TIME TO BUY	18	20	19	16	21	31	29	36	29	27	28	24	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	658	665	653	659	651	656	653	655	657	652	652	651	654

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

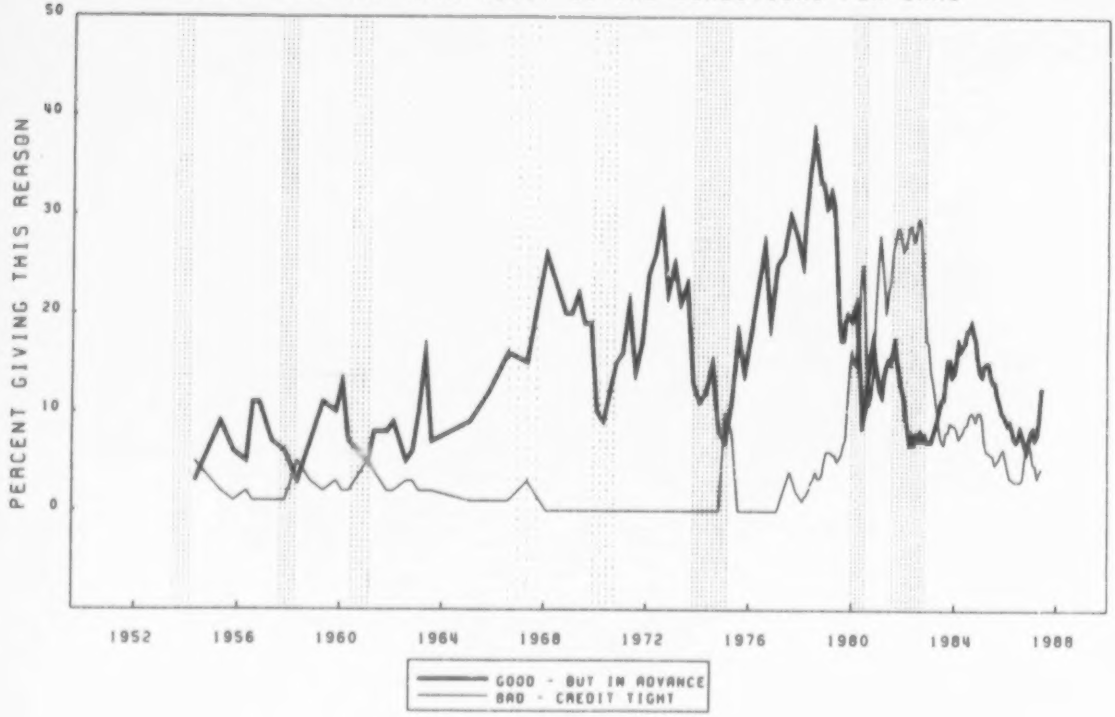


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

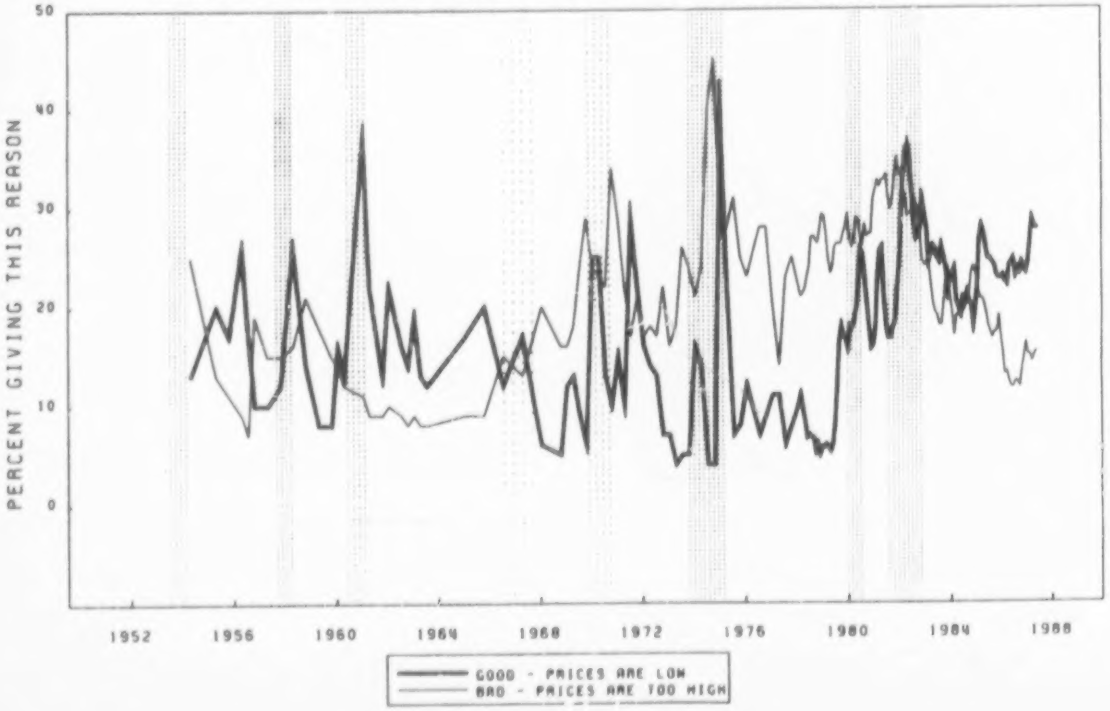


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	June 1986	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	23%	23%	25%	22%	26%	23%	21%	29%	29%	28%	27%	28%
Prices won't come down; are going higher	8	8	9	6	5	7	9	8	8	6	9	13	15
Interest rates low; credit is easy	62	53	52	73	58	43	45	34	38	44	40	40	38
New fuel efficient models	*	1	*	*	*	*	*	1	*	*	1	*	1
BAD TIME TO BUY:													
Prices are high	11	14	12	11	12	17	15	17	13	15	15	15	16
Interest rates are high; credit is tight	3	3	3	4	8	9	4	6	4	4	2	6	5
Lack of purchasing power	4	5	5	2	2	4	4	6	6	5	5	5	4
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	*
Poor selection; quality	2	3	1	1	1	2	2	2	2	2	3	3	2

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

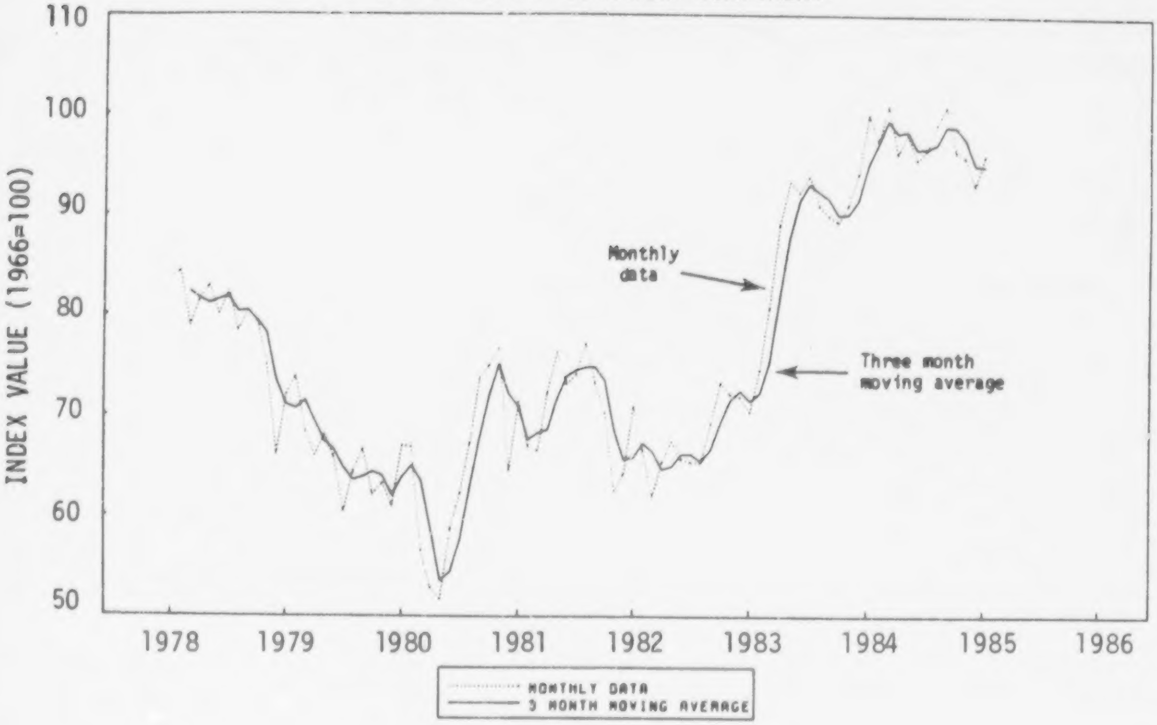
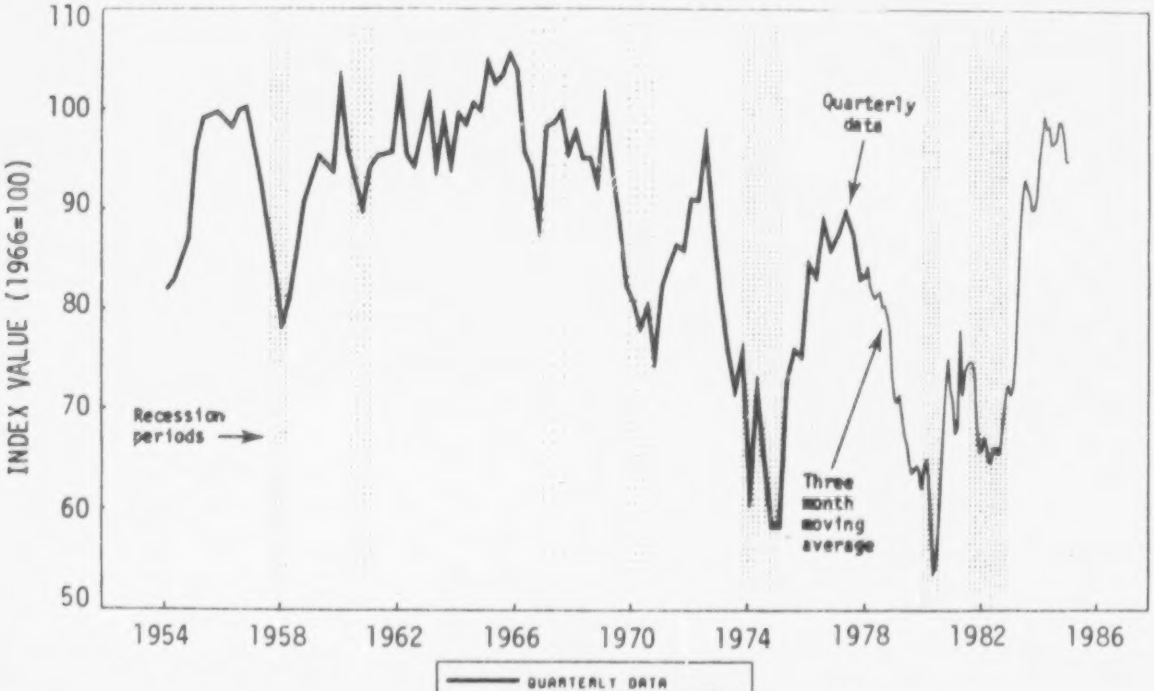


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:
November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

July 2, 1987

JUNE 1987 MONTHLY REPORT

Monitoring Economic Change Program

Surveys of Consumer Attitudes • Economic Outlook USA

INTEREST RATE INCREASES DOMINATE CONCERNS

- In the June 1987 survey, the Index of Consumer Sentiment was 91.5, not significantly different from the 91.1 recorded one month earlier, but substantially below the 99.3 recorded one year earlier. Most of the decline in sentiment during the past year has been concentrated in less favorable prospects for the general economy during the upcoming year. In addition, the June survey recorded the widespread expectation that interest rates would increase during the year ahead, confirming the May upsurge. These concerns with rising interest rates have diminished favorable buying attitudes.

- Among families with incomes of $30,000 or more, the Index rose to 102.9 in June from 97.7 one month earlier, but remained significantly below the year earlier reading of 110.6.

- Interest rates were expected to increase by 69 percent of all families in the June 1986 survey, just below the 71 percent recorded in May, but substantially above the 37 percent recorded at the start of 1987. Just 5 percent of all families in the June survey expected interest rates to decline during the year ahead.

- The rate of inflation was expected to average 4.5% during the year ahead in the June 1987 survey, up from 3.8% one year earlier. Half of all consumers in the June 1987 survey expected the national unemployment rate to remain at about its current level during the year ahead. Among the other half, increases were expected nearly twice as frequently as declines (30 versus 16 percent).

- Confidence in government economic policies to control inflation and unemployment was significantly lower in June 1987 than one year earlier. At present, nearly equal numbers of consumers rate government economic policies favorably as unfavorably (23 versus 25 percent), whereas one year ago, nearly twice as many consumers rated policies favorably (33 versus 17 percent).

- Rising concerns with interest rates have dampened favorable buying attitudes. In the June 1987 survey, favorable attitudes toward buying conditions for homes fell to 73 percent, form 77 percent one month earlier and 86 percent one year earlier. The proportion of families holding favorable vehicle buying attitudes fell to 65 percent in June 1987, from 67 percent one month earlier and 77 percent one year earlier. Although these interest rate concerns have caused favorable buying attitudes to recede from the 1986 peak levels, they nonetheless remained at relatively high levels due to favorable perceptions of market prices.

• • •

The June 1987 survey indicates that although consumer optimism has all but disappeared, consumer pessimism has not risen in its place. Most consumers expect little sustained change in either direction in their own personal financial situation, or for the economy as a whole. Although this outlook does not provide support for spending increases, neither does it provide the premise for sharp spending cutbacks. It does focus buying decisions on the affordability of purchases, and thus the availability of discounts. And consumers' willingness to time their purchases to the availability of discounts has only increased as the expansion has lengthened, and their stocks of goods as well as of debt have increased.

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Rising Concerns with Prospects for Domestic Economy

When respondents were asked about news they had heard about recent developments in the economy, nearly twice as many unfavorable as favorable developments were reported in the June 1987 survey (57 versus 29 percent), compared with a slightly favorable balance one year earlier (42 versus 39 percent). Overall, the proportion of families that thought that the economy had improved during the past year fell to 46 percent in June 1987, from 60 percent one year earlier. When asked about prospects for the year ahead, the majority of families (57 percent) expected economic conditions in the nation as a whole to remain largely unchanged; among the other half, about as many families expected economic conditions to improve as to worsen (23 versus 19 percent).

Despite the expectation of slow and halting economic growth, half of all consumers in the June 1987 survey judged this to mean the continuation of good times financially during the year ahead. To be sure, this favorable assessment has been reduced since last June, when 62 percent held this view. Nonetheless, this one year outlook is favorable when contrasted with the nearly half of all consumers that expected the economy to slide into recession sometime during the following few years. Among all families in the June 1987 survey, 48 percent expected widespread unemployment and recession during the next five years, compared with 37 percent that expected the continuation of the economic expansion. Although darkening economic clouds are on the horizon, consumers currently view them as sufficiently distant, and thus not as much a cause for immediate alarm as caution.

Waiting for Renewed Deep Discounting

Concerns with rising interest rates on major consumer purchases have dampened favorable assessments of buying conditions. Thus far, these concerns have resulted in fewer positive references to the current level of interest rates, but have only caused minor increases in complaints about high interest rates. As a consequence, overall buying attitudes have remained at relatively high levels, even if lower than year earlier levels. Importantly, these favorable buying attitudes have also been supported by favorable perceptions of market prices.

Rising mortgage interest rates have dampened favorable attitudes toward home buying conditions. In the June 1987 survey, 73 percent of all families held favorable views of buying conditions for homes, down from 77 percent one month earlier and the peak of 86 percent recorded one year earlier. When asked to explain their views, the proportion that mentioned the availability of reduced mortgage interest rates fell to 45 percent in June, from 50 percent one month earlier and 78 percent one year earlier (see Table A). This sharp decline in favorable references to mortgage rates was partially offset by a rise in the proportion of families that favorably referred to buying in advance of expected increases in mortgage interest rates, cited by 18 percent of all families in the June 1987 survey, up from 5 percent recorded both three months and one year earlier.

Favorable attitudes toward buying conditions for vehicles were held by 65 percent of all families in the June 1987 survey, largely unchanged over the past few months, but significantly below the 1986 peak of 81 percent. The decline from last year's peak is reflected in the decline of favorable references to the availability of discounted interest rates on new vehicle purchases, falling to 35 percent in June 1987, half the 70 percent recorded in September 1986.

Favorable attitudes toward buying conditions for large household durables were held by 76 percent of all families in the June 1987 survey, unchanged from one month earlier, and not much below the peak of 81 percent recorded one year ago. The main reason given by consumers for these favorable views is the availability of price discounts, mentioned by 38 percent in the June 1987 survey, just above the 35 percent recorded one year earlier.

The expected increase in the rate of inflation during the year ahead was reflected in small increases in the proportion of respondents that mentioned the advantage of buying in advance of rising prices. Favorable buying attitudes were more frequently supported by references to advance buying in the June 1987 survey than one year earlier—for large household durables (21, up from 14 percent), vehicles (15, up from 8 percent), and homes (11, up from 4 percent). The increase in advance buying rationales is thus far marginal, owing in part to special market circumstances, and does not signal the reemergence of the buy in advance psychology that dominated assessments in the late 1970s.

Personal Finances

American families continued to rate their own financial progress favorably, showing only a minor decline during the past year. Among all families in the June 1987 survey, 44 percent reported that their financial situation had improved during the past year, down from 47 percent a year earlier, while 24 percent reported a worsened financial situation, just above the 23 percent recorded in 1986.

Consumers assessed their own financial prospects for the year ahead in favorable terms at mid year 1987—comparable with the mid 1970s peak—even though smaller income gains were expected. Few consumers expected their financial situation to worsen in either the June 1987 or June 1986 surveys (unchanged at 11 percent). And three times as many families expected their financial situation to improve as to worsen at mid year 1987 (33 percent). The majority, however, expected their financial situation to remain largely unchanged in the June 1987 survey (53 percent, up from 49 percent a year earlier). Although as many families expected income increases at mid year 1987 as at mid year 1986 (62 percent), the size of the expected increase is now lower. Furthermore, given the higher rates of inflation expected, this has resulted in the least favorable real income expectations since the recovery began.

Consumers' willingness to use accumulated savings or to incur new debt to make major purchases has waned in recent months. Willingness to use personal savings to purchase major items was reported by 36 percent of all families in the second quarter of 1987, down from 40 percent one and two years earlier (see Tables B and C). Among all families, 25 percent were willing to use debt to make major purchases in the second quarter of 1987, down form 34 percent one year earlier.

• • •

The June 1987 survey was conducted between June 1 and June 29, 1987, and included 654 completed interviews.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BIA[b] Rates	Low Rates	BIA Rates	Low Rates	BIA Rates
January	1982	2%	1%	5%	3%	4%	2%
February	1982	1	1	4	3	3	*
March	1982	*	1	3	2	3	*
April	1982	1	*	4	2	7	*
May	1982	2	1	3	3	10	1
June	1982	1	1	5	2	6	1
July	1982	1	1	2	2	4	1
August	1982	1	1	3	4	5	1
September	1982	3	1	16	4	9	1
October	1982	4	1	19	4	10	1
November	1982	5	*	25	5	19	1
December	1982	6	2	30	5	26	1
January	1983	7	*	33	4	27	2
February	1983	7	1	35	5	34	1
March	1983	7	1	38	6	33	1
April	1983	12	2	46	8	38	2
May	1983	12	1	49	6	38	2
June	1983	13	3	49	12	38	2
July	1983	14	2	40	9	34	3
August	1983	11	1	33	11	30	3
September	1983	9	3	35	12	25	3
October	1983	6	1	29	9	17	2
November	1983	6	2	29	11	20	2
December	1983	6	1	30	11	16	3
January	1984	8	1	33	8	20	3
February	1984	9	2	38	12	19	3
March	1984	8	2	36	13	19	3
April	1984	8	6	29	23	15	7
May	1984	7	4	24	20	14	4
June	1984	7	4	21	17	12	6
July	1984	5	5	21	16	16	8
August	1984	6	2	22	13	12	5
September	1984	6	2	22	12	11	4
October	1984	7	4	24	11	10	4
November	1984	8	3	33	11	15	3
December	1984	8	2	32	6	12	3
January	1985	10	1	42	7	21	2
February	1985	9	2	42	8	23	1
March	1985	8	2	38	10	21	2

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS(Cont'd)

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BIA[b] Rates	Low Rates	BIA Rates	Low Rates	BIA Rates
April	1985	10%	3%	34%	13%	22%	3%
May	1985	9	2	35	8	25	3
June	1985	11	2	50	6	32	3
July	1985	13	1	51	6	33	2
August	1985	15	*	54	4	35	1
September	1985	14	1	51	5	45	1
October	1985	14	1	48	7	40	1
November	1985	10	2	45	7	38	2
December	1985	11	1	47	6	35	2
January	1986	17	1	55	5	50	1
February	1986	18	2	60	4	51	2
March	1986	21	1	75	4	52	2
April	1986	27	2	78	5	52	2
May	1986	30	1	76	4	57	1
June	1986	30	1	78	5	59	3
July	1986	25	1	70	7	52	1
August	1986	25	1	73	5	51	1
September	1986	29	*	74	5	70	3
October	1986	24	2	69	6	55	3
November	1986	22	3	69	6	42	2
December	1986	17	1	68	5	43	2
January	1987	19	1	65	4	32	2
February	1987	20	1	68	6	36	2
March	1987	21	2	66	5	43	1
April	1987	18	3	60	11	37	4
May	1987	16	3	50	16	37	3
June	1987	12	3	45	18	35	3

Less than 0.5 percent.

[a] Also includes homes, home repairs and real estate.

[b] The proportions given above provide greater detail than is reported in the monthly tables (see Tables 22, 24 and 26). The figures above divide the total proportion of respondents that made favorable references to credit conditions into those respondents that referred to the current availability of *low interest rates*, and those that referred to *borrowing-in-advance* (BIA) of rising interest rates.

TABLE B
OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Use of Credit...						
Survey Date	OK; not reluctant	Pro-con	Not OK; reluctant	Don't know; NA	Total	# cases	Relative score
Apr-Jun 1984	29%	*	69%	2%	100%	1075	60
Apr-Jun 1985	30	*	69	1	100	1988	61
Apr-Jun 1986	34	1	63	2	100	1313	71
Apr-Jun 1987	25	*	74	1	100	1303	51

*Less than 0.5 percent.

The question was: "If there were something that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

TABLE C
OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

	Use of Savings...						
Survey Date	OK; not reluctant	Pro-con	Not OK; reluctant	Don't know; NA	Total	# cases	Relative score
Apr-Jun 1984	42%	*	56%	2%	100%	1921	86
Apr-Jun 1985	40	*	59	1	100	1852	81
Apr-Jun 1986	40	*	58	2	100	1214	82
Apr-Jun 1987	36	*	63	1	100	1205	73

*Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?"

8/17/87 U7475-2

SURVEYS OF CONSUMER ATTITUDES

Survey Research Center
University of Michigan

Institute for Social Research

TABLES AND CHARTS

JULY 1987

The July 1987 survey is the 228th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

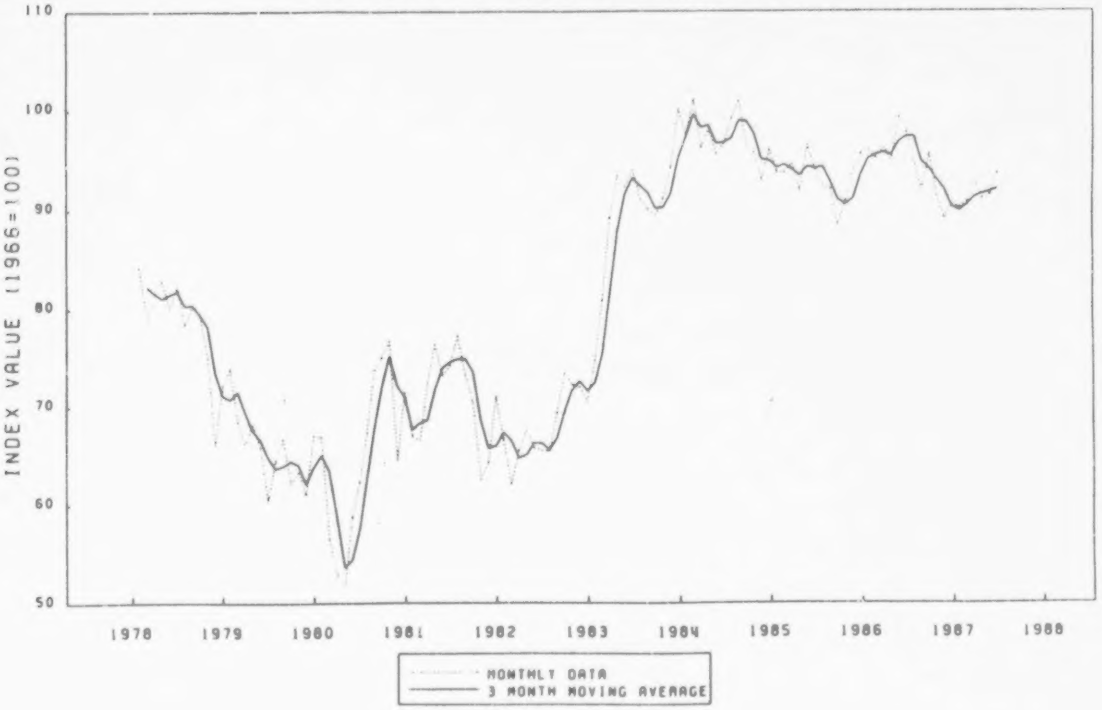


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

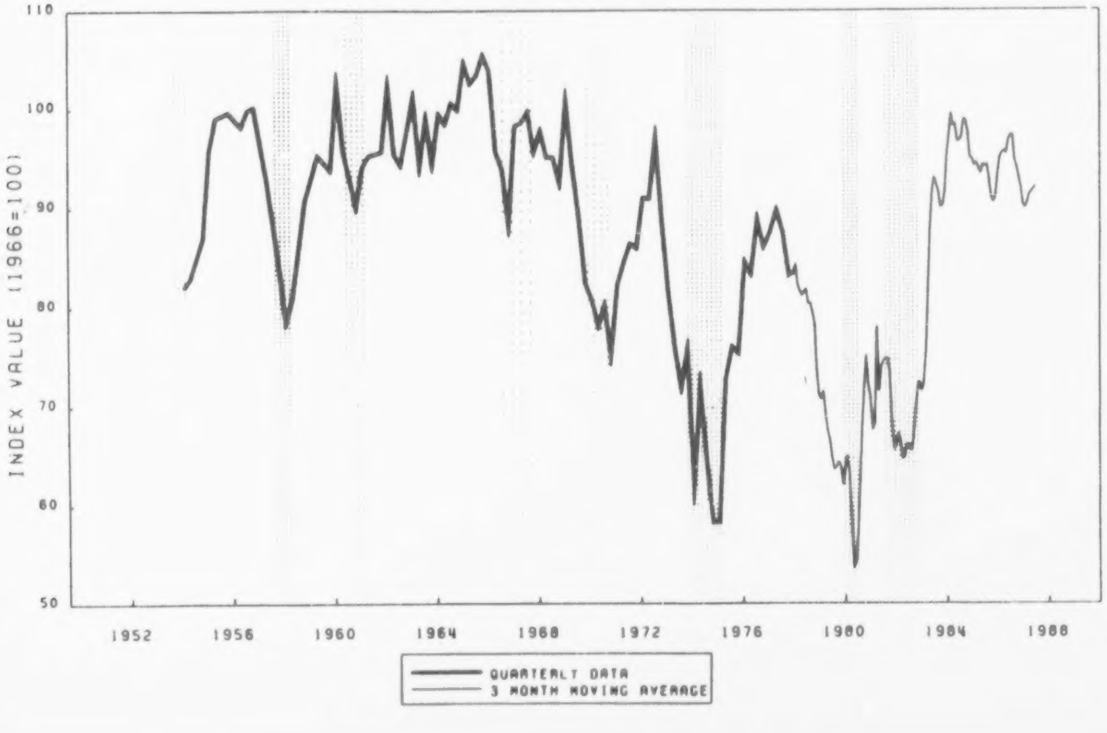


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
July 1984	96.6	102.7	109.2
August 1984	99.1	113.3	116.4
September 1984	100.9	110.8	112.9
October 1984	96.3	113.5	114.8
November 1984	95.7	112.9	113.6
December 1984	92.9	101.5	101.7
January 1985	96.0	110.2	112.1
February 1985	93.7	113.8	113.8
March 1985	93.7	110.8	114.4
April 1985	94.6	108.9	114.9
May 1985	91.8	105.3	107.7
June 1985	96.5	107.4	110.3
July 1985	94.0	105.2	109.5
August 1985	92.4	106.7	110.2
September 1985	92.1	101.7	104.9
October 1985	88.4	99.6	107.4
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

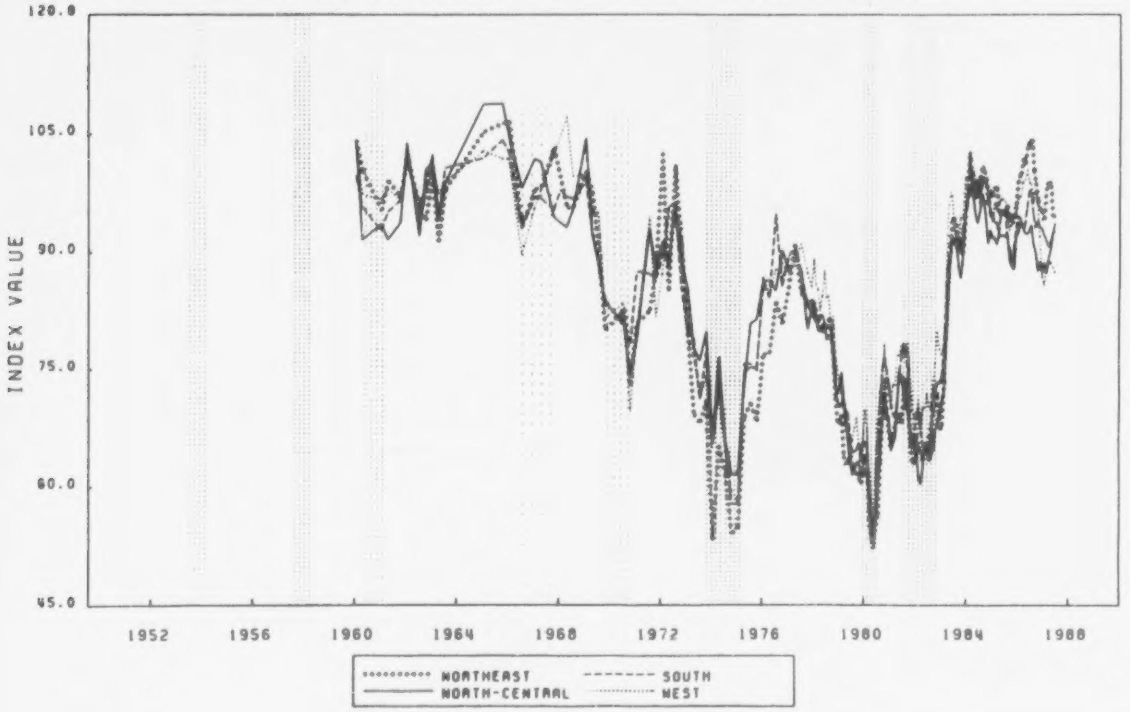


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

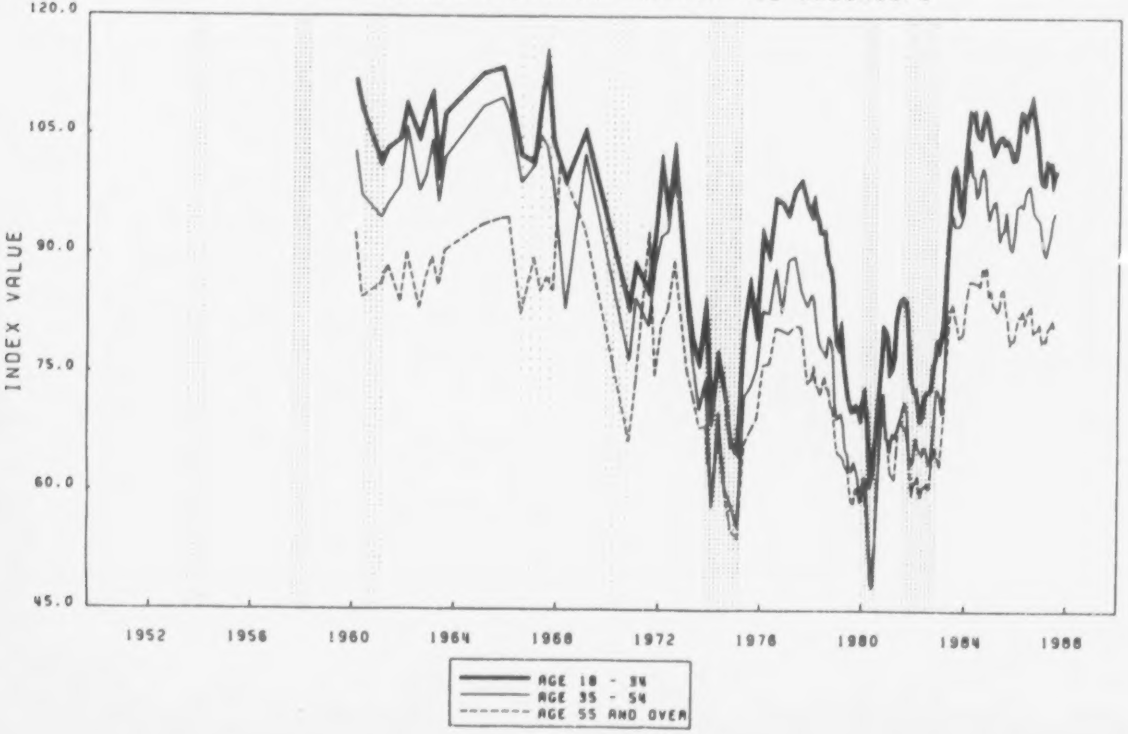


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

	CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY	North East	North Central	South	West	18-34	35-54	55+
July 1984	94.3	92.5	100.5	99.3	104.9	98.2	87.1
August 1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September 1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October 1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November 1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December 1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January 1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February 1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March 1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April 1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May 1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June 1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July 1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August 1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September 1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October 1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November 1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December 1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January 1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February 1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March 1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April 1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May 1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June 1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July 1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August 1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September 1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October 1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November 1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December 1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January 1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February 1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March 1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April 1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May 1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June 1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July 1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

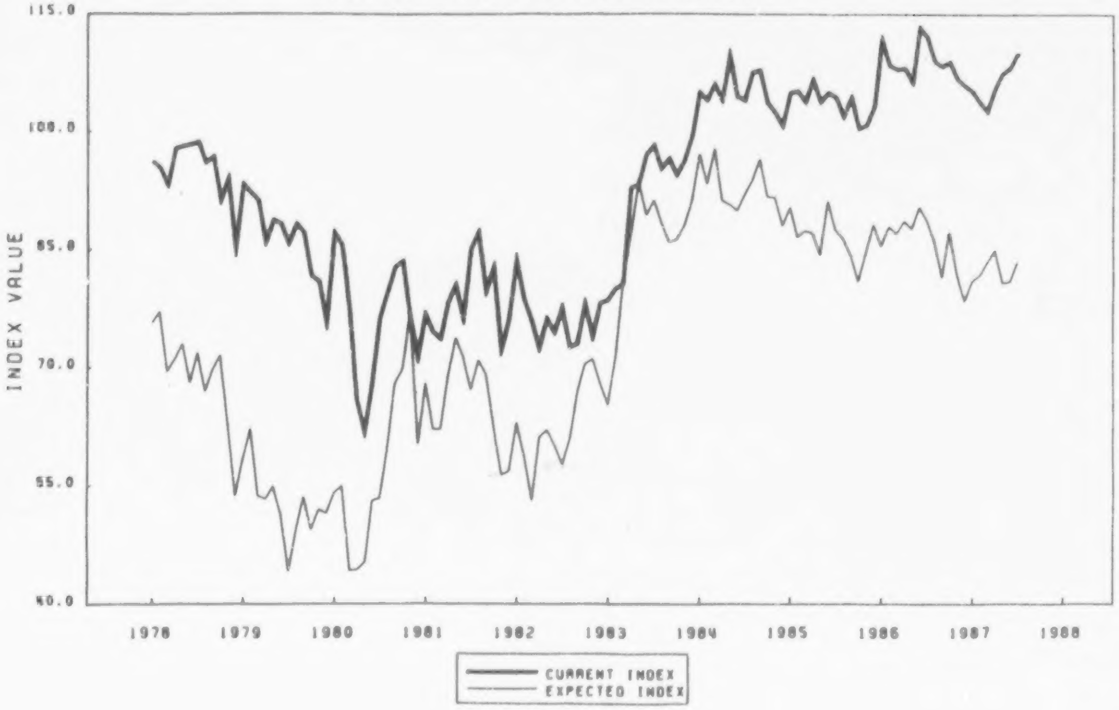


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

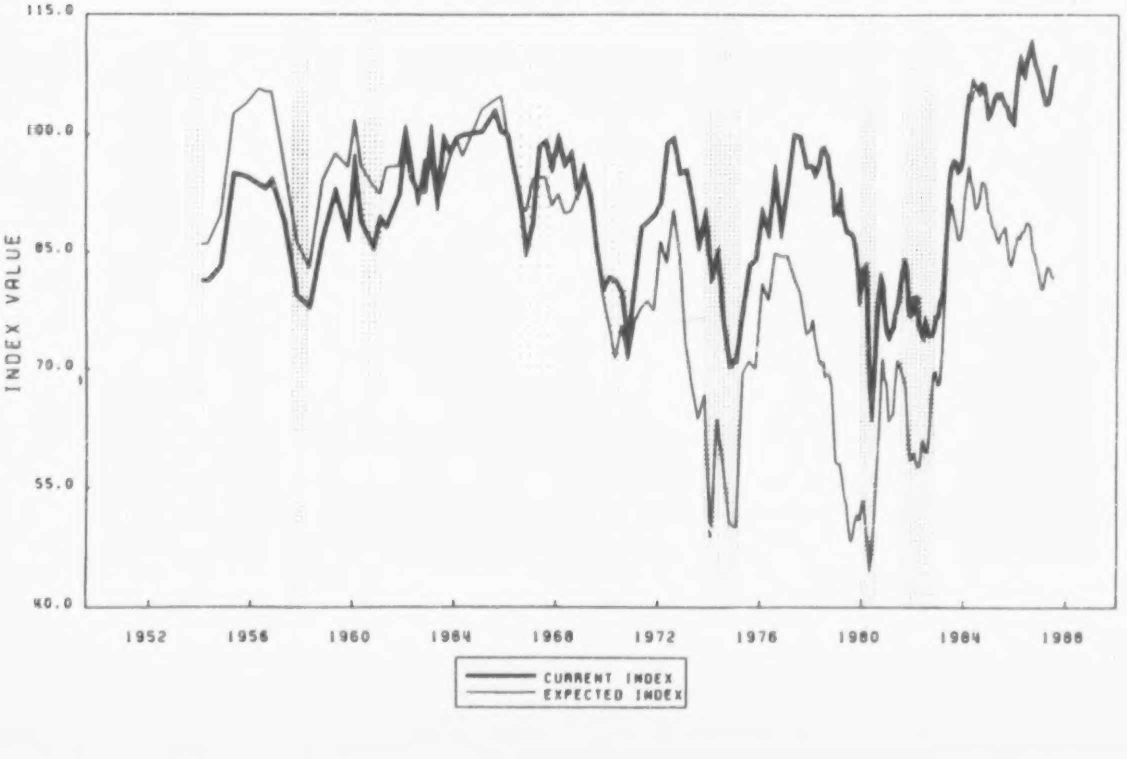


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions		Buying conds.	Current Index	Expected Index
	Current	Expected	12 months	5 years			
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July 1984	117	124	133	113	152	103.9	91.9
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

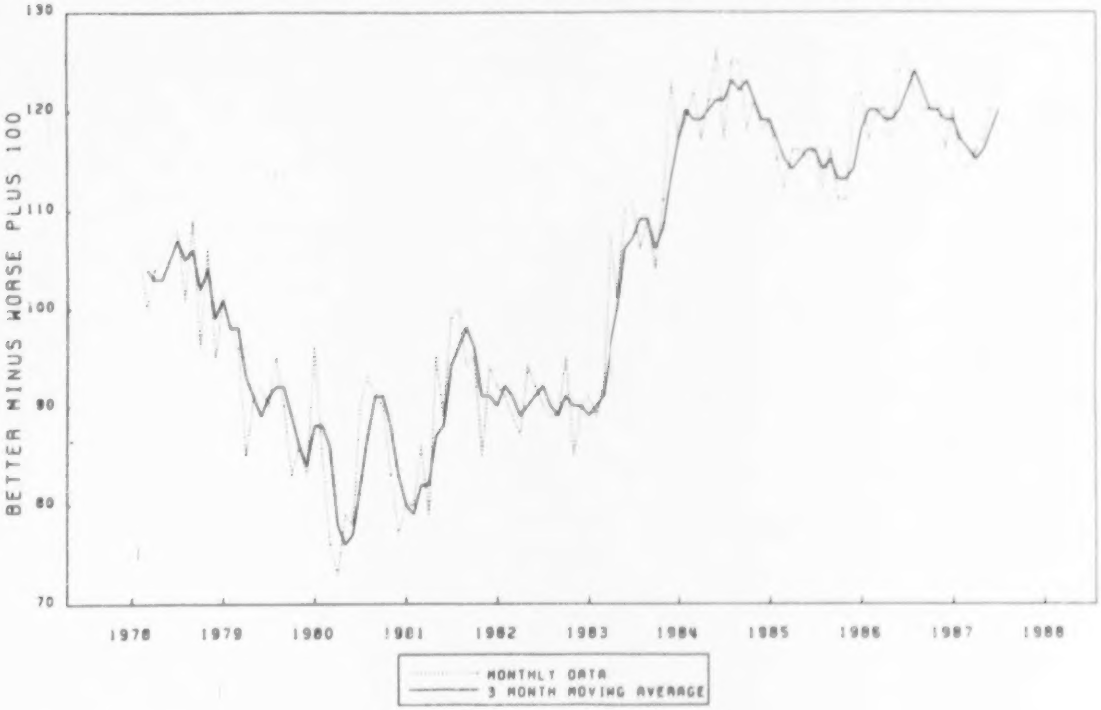


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

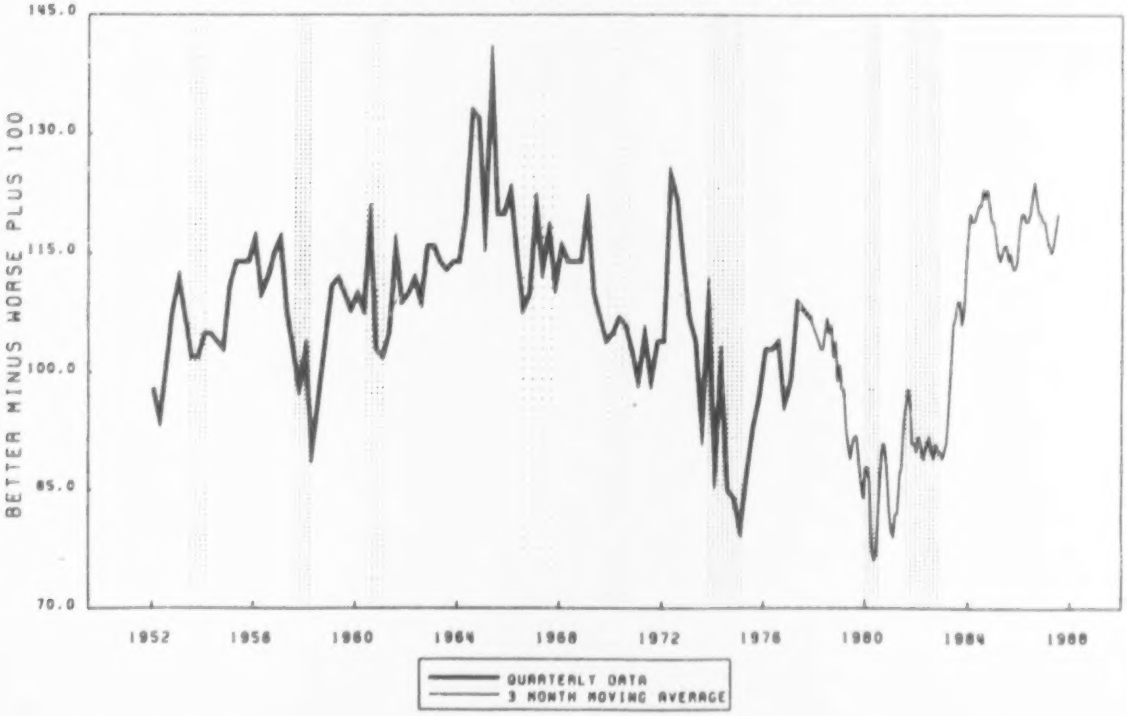


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1986	Aug. 1936	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
BETTER OFF	49%	46%	45%	44%	43%	43%	45%	44%	41%	42%	43%	44%	45%
SAME	28	28	30	32	35	30	29	27	32	32	31	32	32
WORSE OFF	23	25	25	24	22	27	25	29	27	26	26	24	22
DK,NA	*	1	*	*	*	*	1	*	*	*	*	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

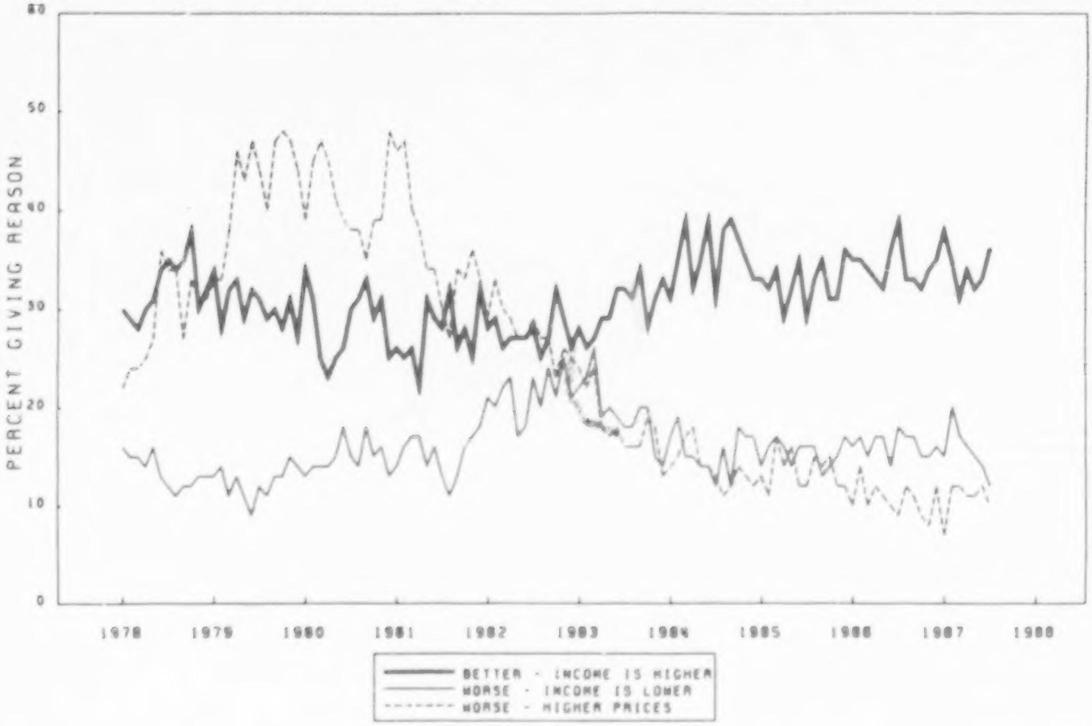


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

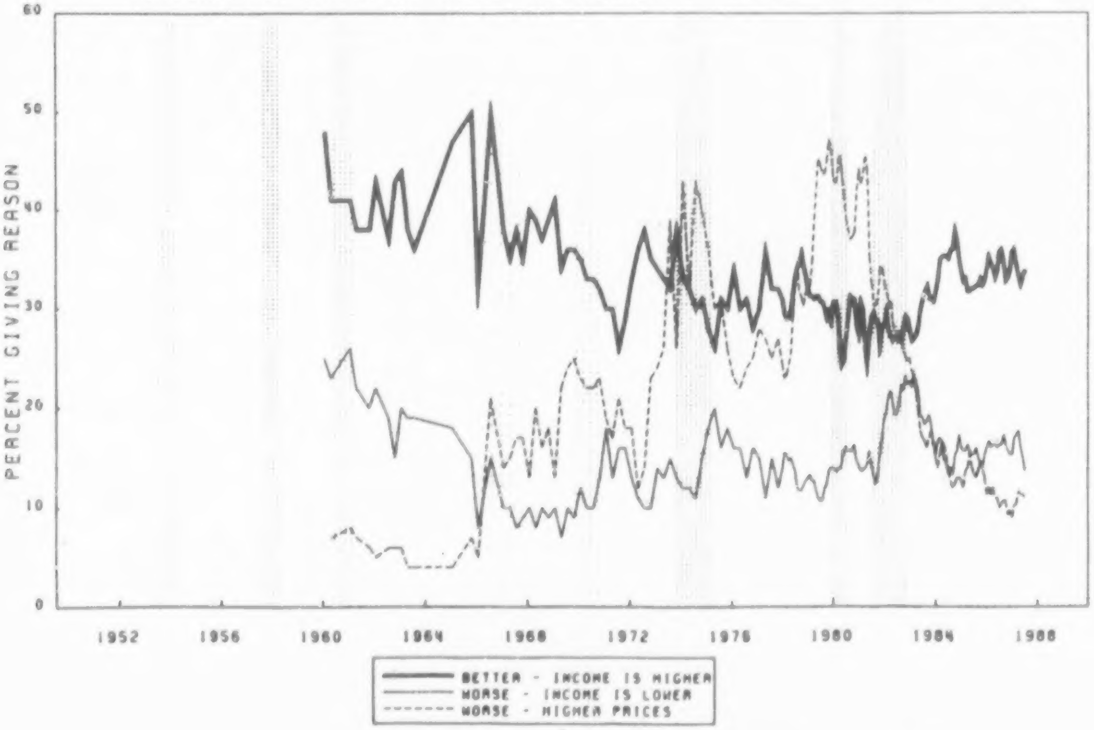


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	39%	33%	33%	32%	34%	35%	38%	35%	31%	34%	32%	33%	36%
WORSE OFF THAN YEAR AGO:													
Income is lower	18	17	17	15	15	16	15	20	17	16	15	14	12
Higher prices	9	12	11	9	8	12	7	12	12	11	11	12	10

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

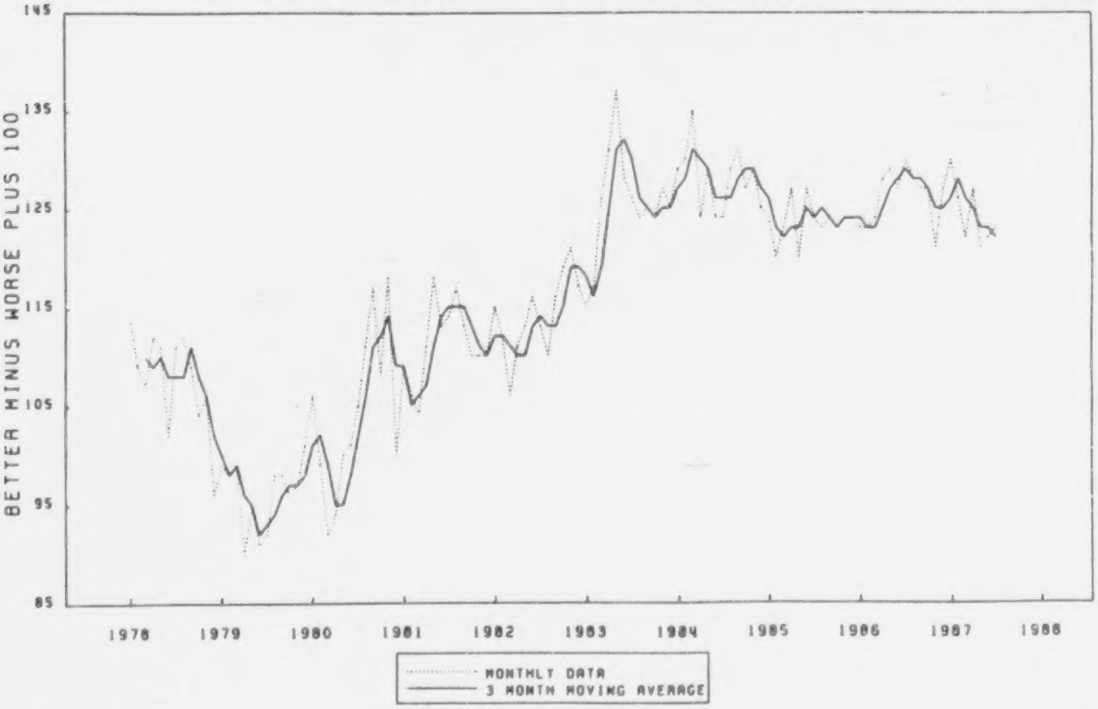


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

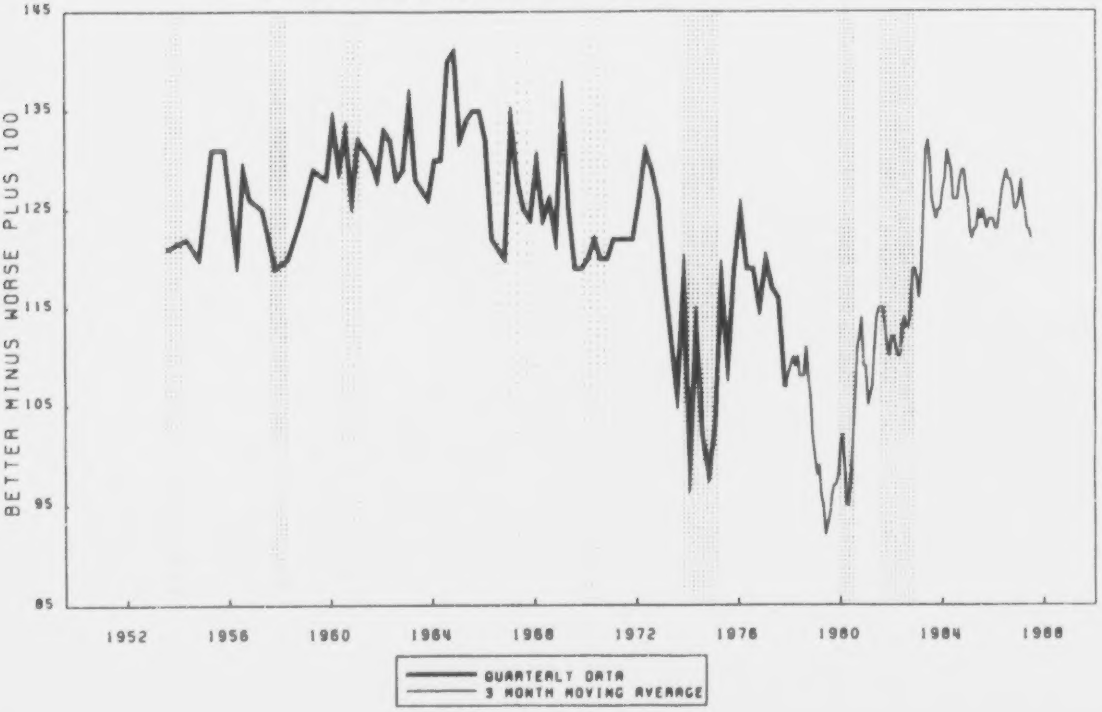


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
BETTER OFF	38%	39%	38%	37%	33%	36%	39%	38%	33%	37%	32%	33%	34%
SAME	52	48	47	51	52	52	48	48	53	49	54	53	52
WORSE OFF	8	11	11	10	12	9	9	12	11	10	11	11	11
DK,NA	2	2	4	2	3	3	4	2	3	4	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

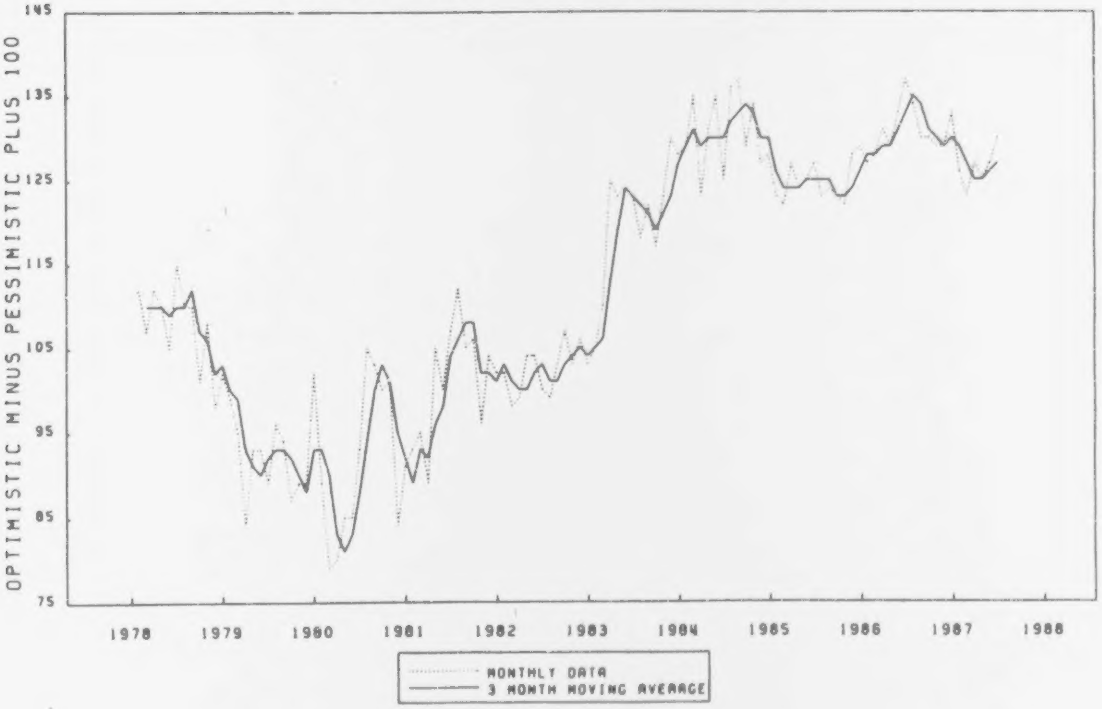


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

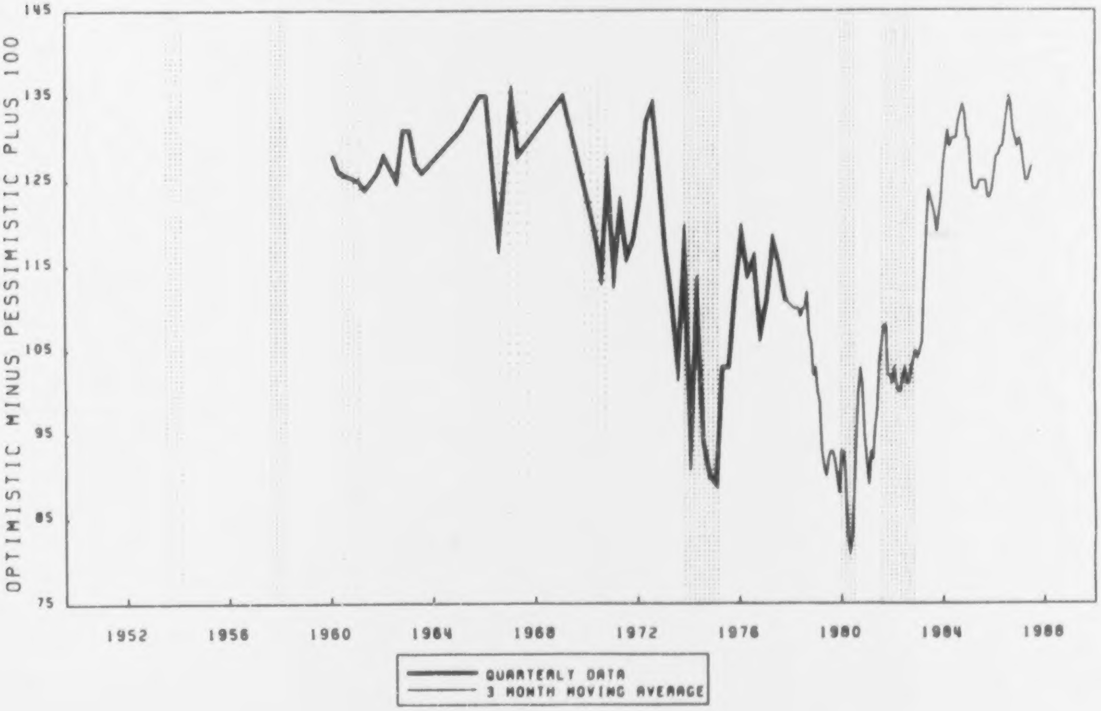


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	23%	21%	21%	22%	18%	18%	22%	22%	19%	19%	17%	18%	19%
Intermittant increase (b)	29	32	29	27	29	29	28	27	25	28	28	31	29
Remain unchanged (c)	19	15	16	19	22	19	17	15	22	17	20	17	20
Intermittant decline (d)	12	13	15	16	13	14	14	17	16	17	16	17	14
Continuous decline (e)	3	6	5	3	5	4	3	6	5	3	4	5	4
Mixed change (f)	11	11	10	11	10	13	12	11	10	12	12	8	10
DK,NA	3	2	4	2	3	3	4	2	3	4	3	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

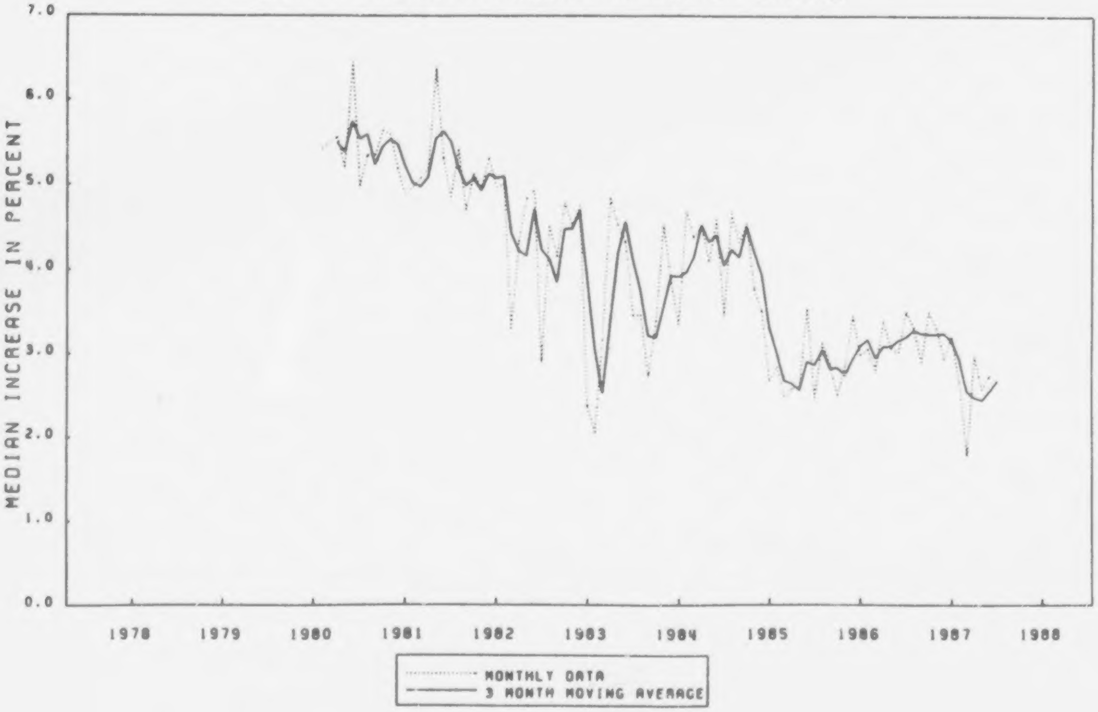


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

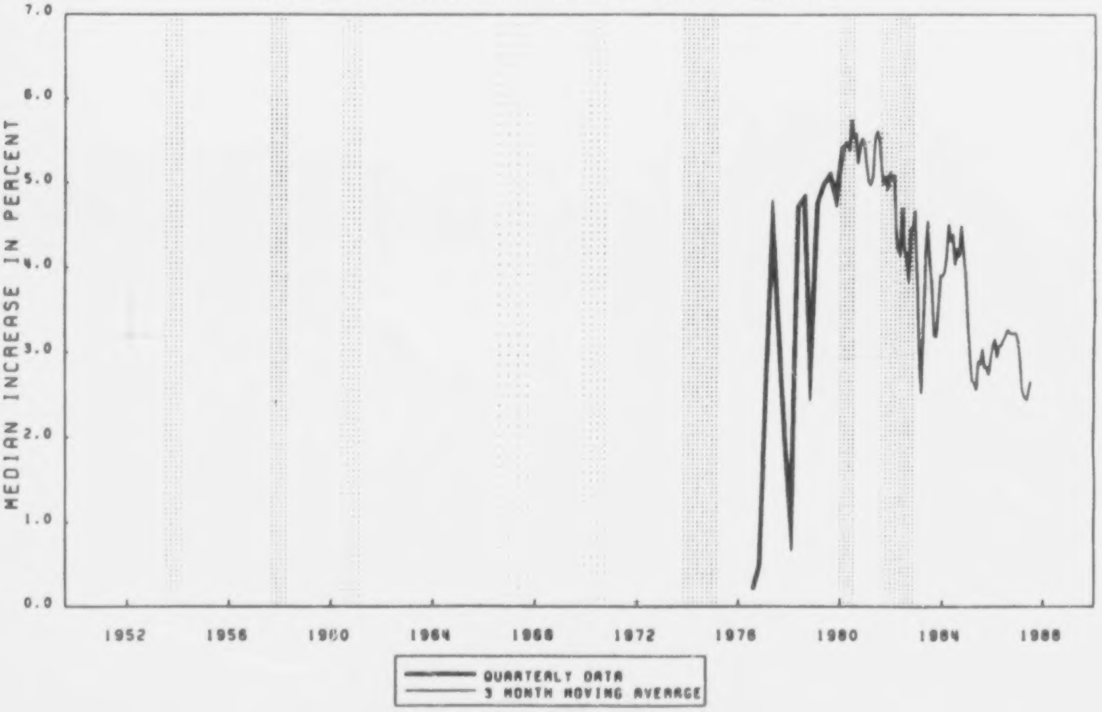


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
EXPECT INCREASE:													
1-4%	15%	16%	16%	14%	17%	18%	16%	15%	17%	15%	18%	21%	18%
5%	12	11	15	12	13	12	11	12	11	9	9	9	9
6-9%	8	7	7	6	9	8	8	5	7	8	8	10	7
10-24%	17	14	15	19	15	14	17	15	11	19	14	13	16
25% or more	8	9	4	7	6	6	6	6	5	5	6	5	6
DK how much up	4	5	3	3	4	4	4	6	6	4	3	4	4
EXPECT SAME	22	24	26	26	23	26	25	27	28	27	26	26	27
EXPECT DOWN	14	13	13	12	12	12	12	14	15	13	15	12	13
DK,NA	*	1	1	1	1	*	1	*	*	*	1	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

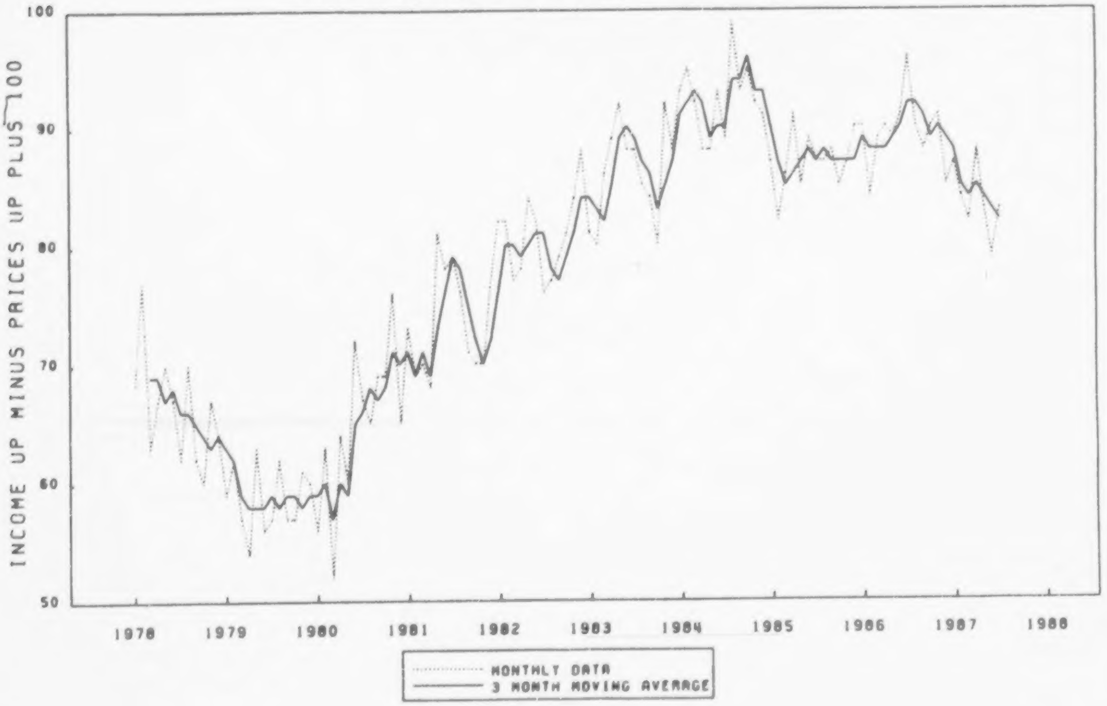


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

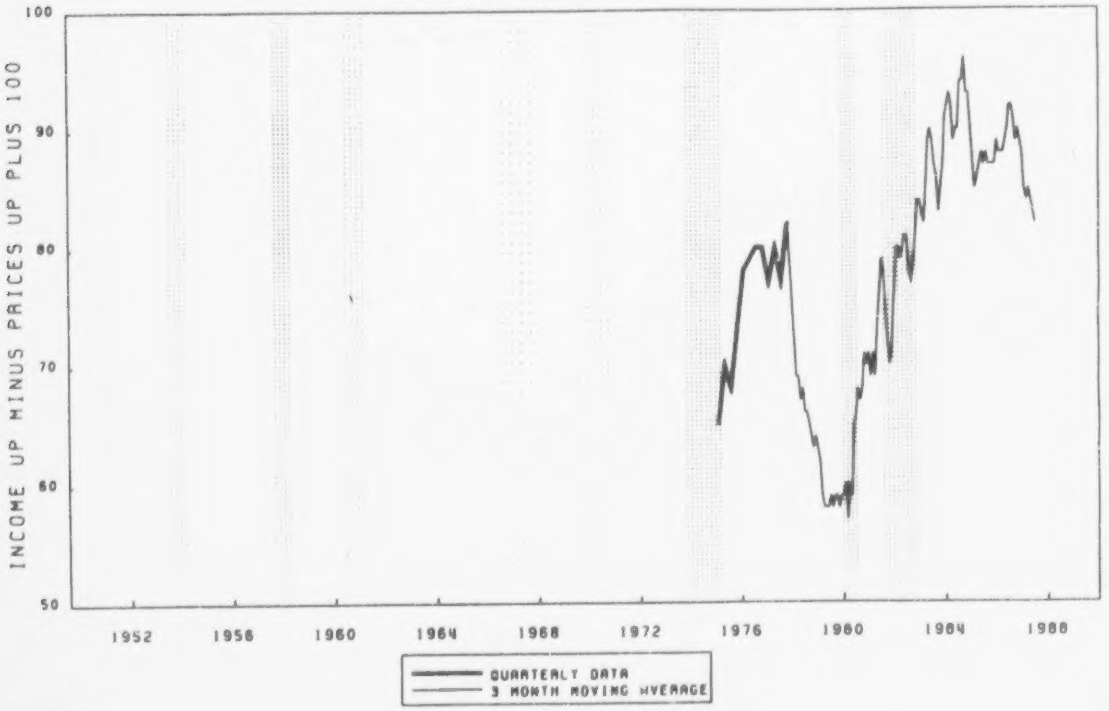


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
INCOME UP MORE	24%	22%	20%	22%	21%	19%	22%	20%	18%	21%	17%	17%	17%
INCOME UP SAME	47	44	47	45	47	45	41	42	44	44	48	44	47
PRICES UP MORE	28	32	32	32	30	34	35	36	36	33	34	38	34
DK,NA	1	2	1	1	2	2	2	2	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

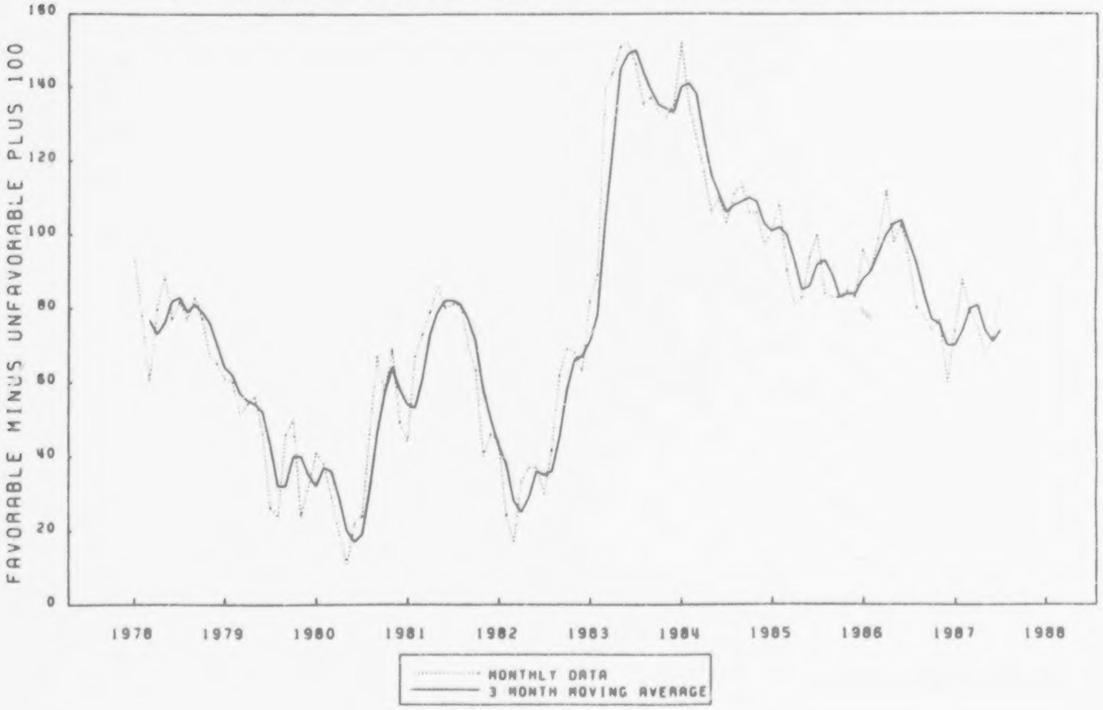


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

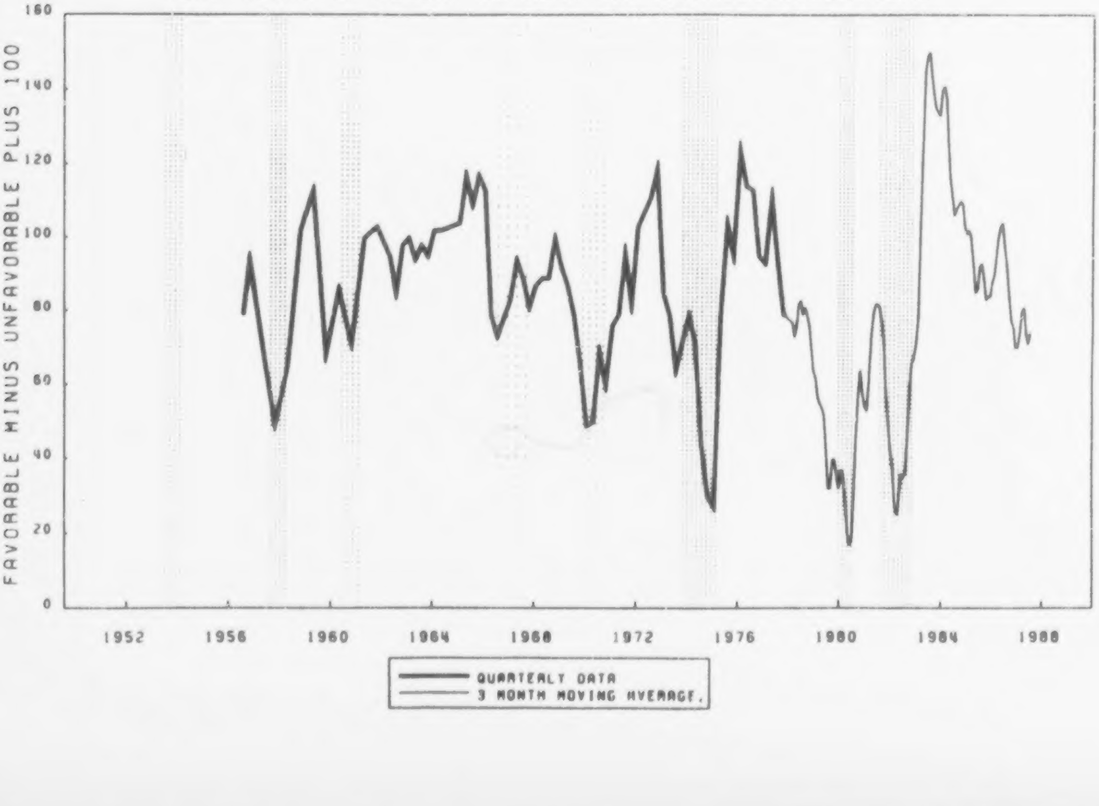


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
FAVORABLE NEWS	37%	33%	29%	26%	30%	22%	26%	36%	27%	27%	26%	29%	29%
UNFAVORABLE NEWS	44	53	51	52	53	62	52	48	48	52	59	57	45
NO MENTIONS	45	44	49	48	47	44	44	45	49	46	44	42	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

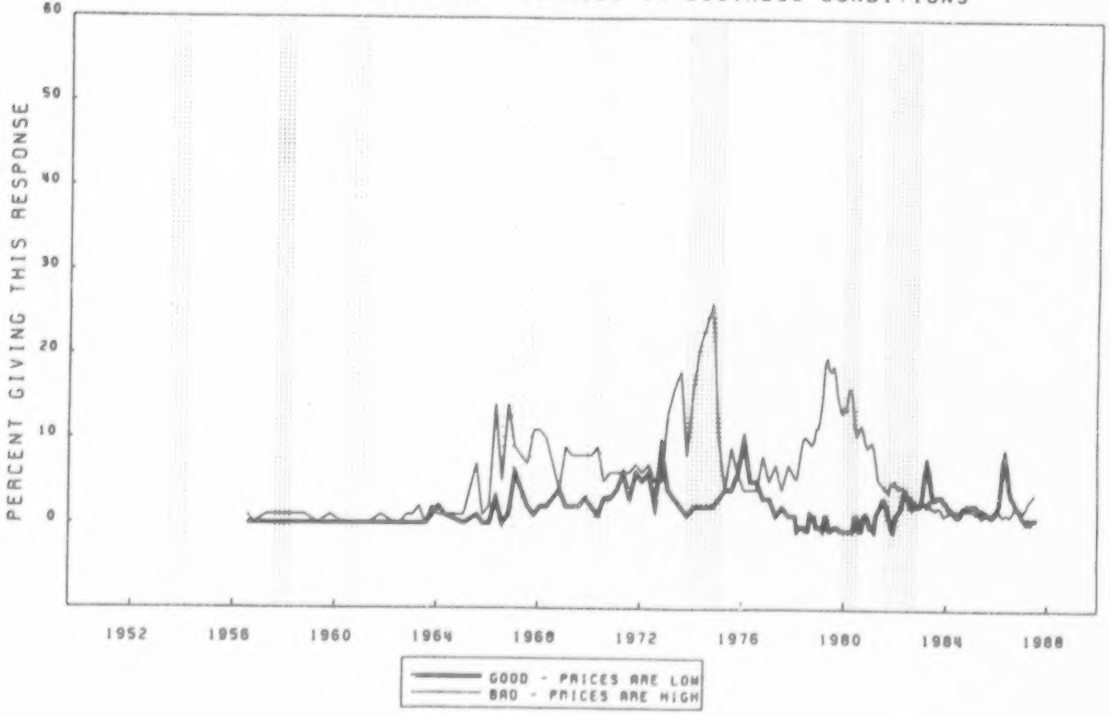


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

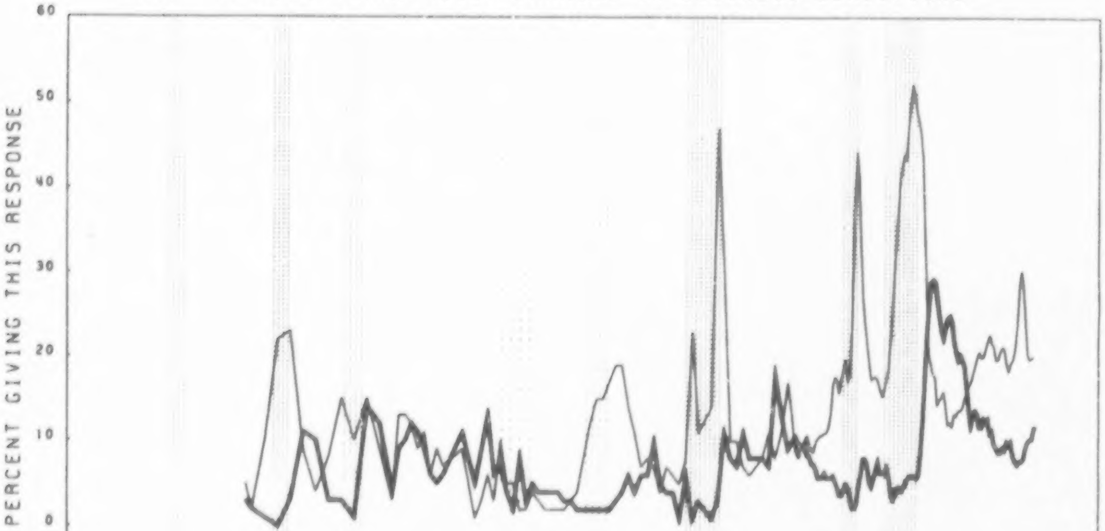


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
FAVORABLE NEWS:													
Government; elections	3%	2%	2%	1%	3%	1%	2%	2%	2%	3%	1%	2%	2%
Employment	9	10	6	7	9	7	7	10	11	9	11	11	13
Higher consumer demand	1	3	2	3	2	2	3	3	1	1	1	2	*
Lower prices	4	3	2	2	2	1	*	1	*	1	*	1	1
Easier credit	11	7	11	8	5	5	5	6	4	2	3	3	2
UNFAVORABLE NEWS:													
Government; elections	5	5	6	8	6	8	9	5	7	7	7	7	5
Unemployment	19	21	19	23	29	33	29	23	20	18	21	21	18
Lower consumer demand	1	2	1	2	2	4	2	3	2	2	2	3	3
Higher prices	*	3	2	2	1	2	1	2	3	3	3	4	4
Tighter credit	1	1	1	*	1	1	1	1	1	4	6	7	4
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

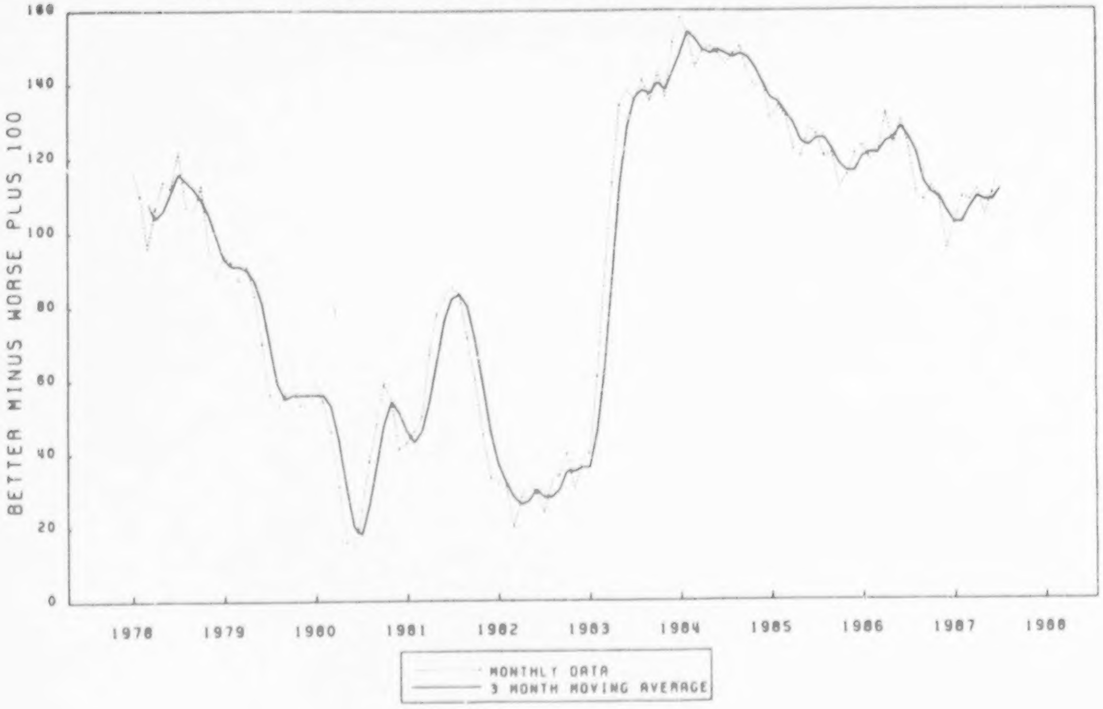


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

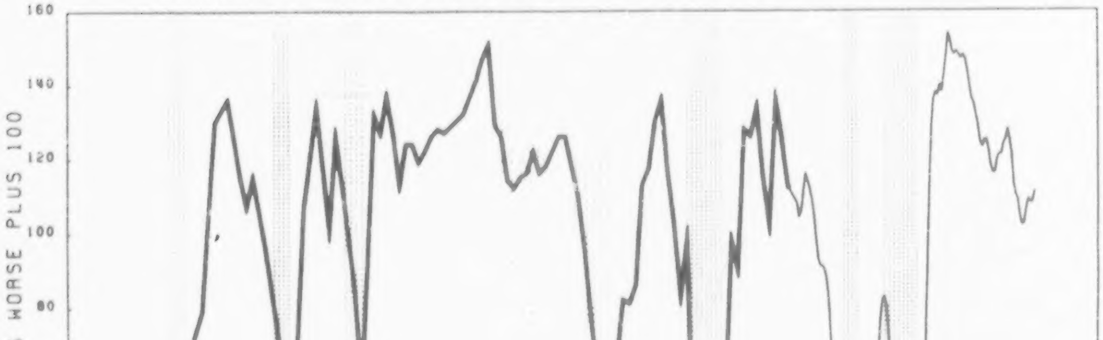


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
BETTER NOW	53%	47%	47%	47%	45%	40%	43%	47%	45%	46%	43%	46%	50%
SAME	14	14	13	15	16	13	14	14	17	17	16	16	16
WORSE NOW	31	37	39	35	37	45	41	38	37	35	39	36	32
DK,NA	2	2	1	3	2	2	2	1	1	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

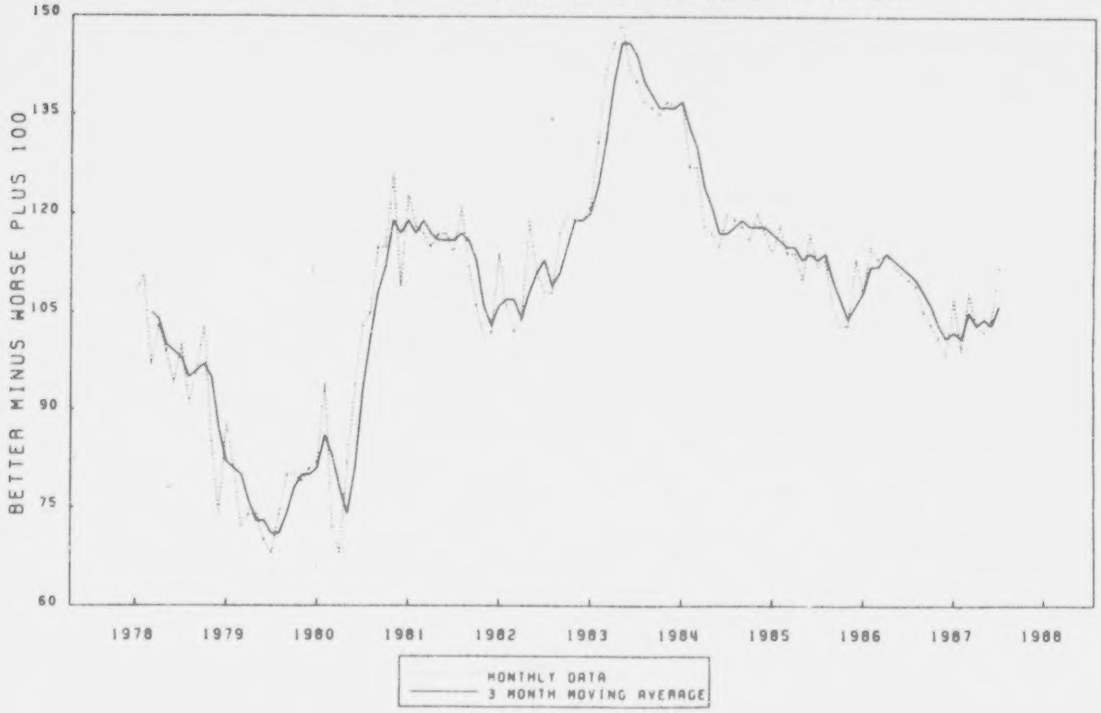


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

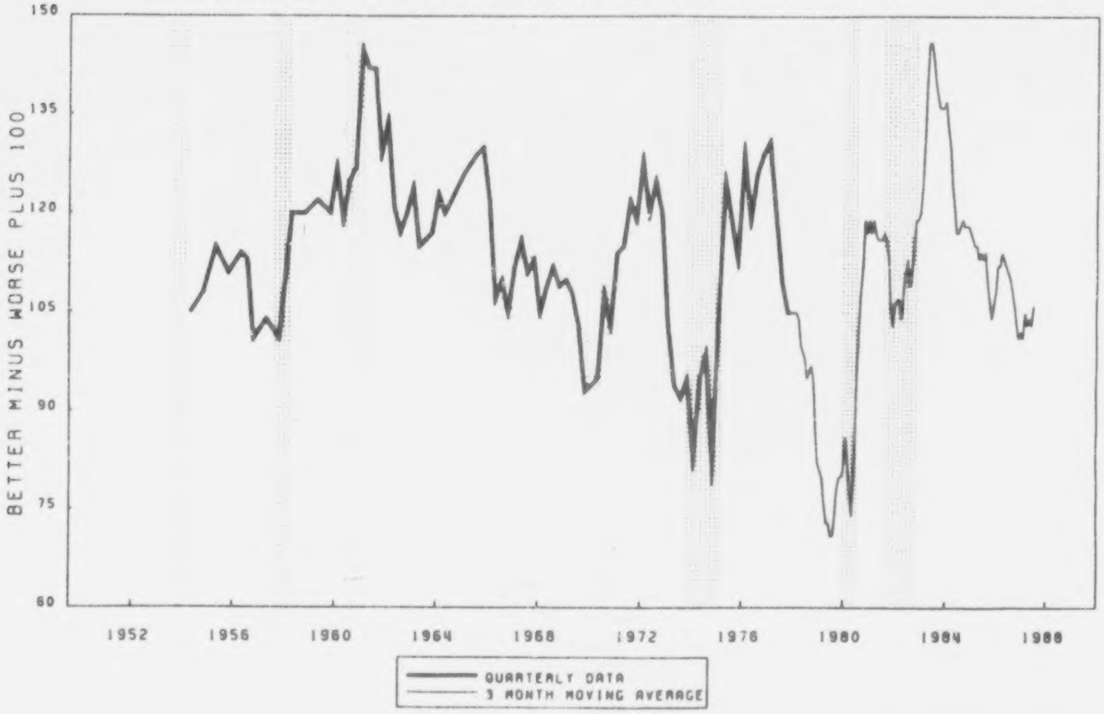


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
BETTER	24%	26%	23%	21%	20%	20%	24%	22%	22%	21%	22%	23%	26%
SAME	60	56	55	59	59	56	58	54	61	60	57	57	56
WORSE	14	17	18	18	19	22	17	23	14	18	20	19	14
DK,NA	2	1	4	2	2	2	1	1	3	1	1	1	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

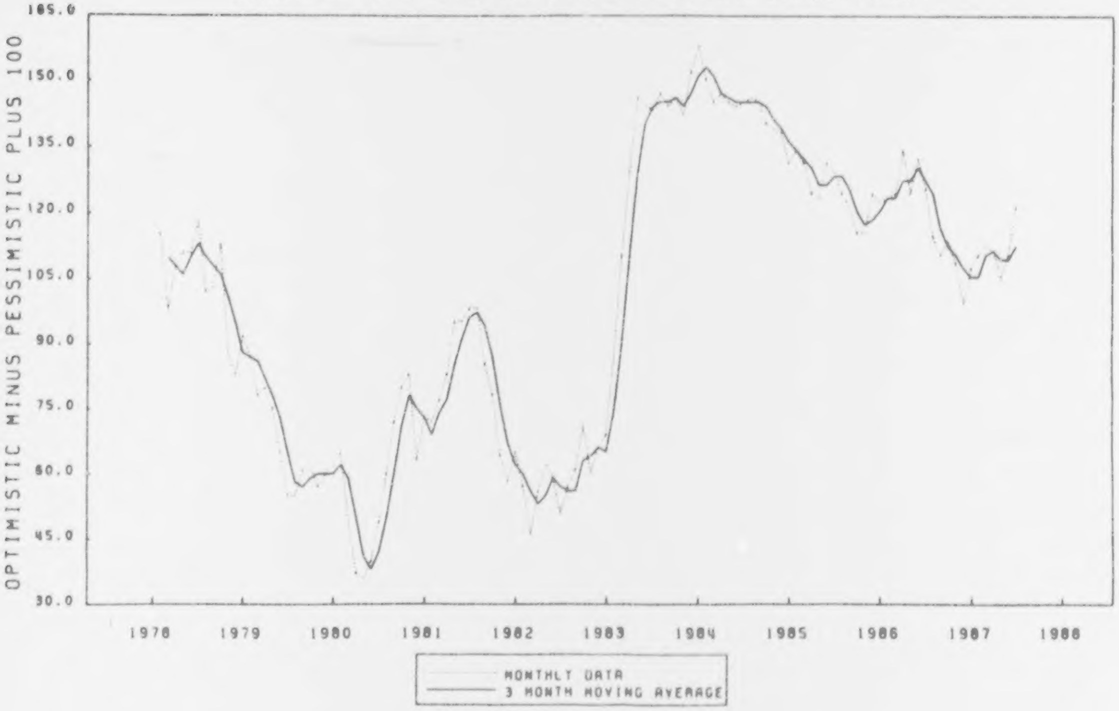


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

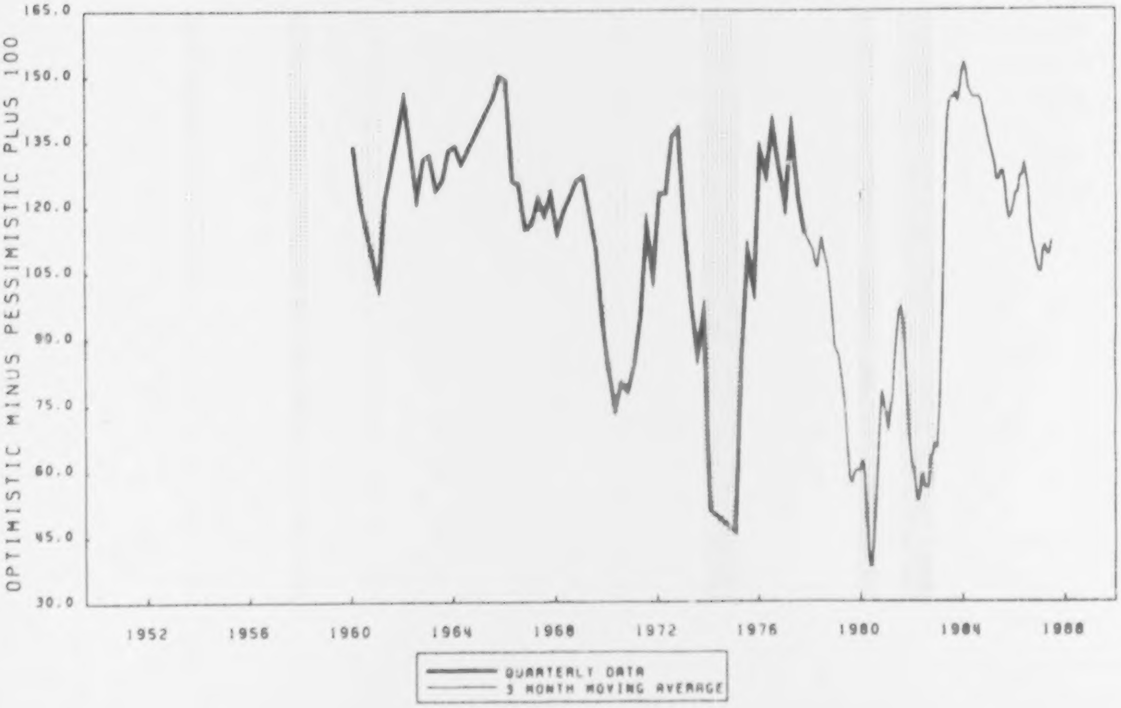


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
TREND:													
Continuous increase (a)	16%	17%	15%	13%	12%	12%	15%	14%	13%	13%	12%	14%	17%
Intermittant increase (b)	36	29	29	31	30	27	27	32	32	30	28	28	33
Remain unchanged (c)	10	10	8	10	10	10	10	7	11	11	10	11	9
Intermittant decline (d)	18	20	22	21	23	23	24	21	23	22	24	21	19
Continuous decline (e)	9	12	12	10	11	17	11	15	10	10	11	11	10
Mixed change (f)	8	9	10	11	11	7	10	9	7	10	12	12	7
DK,NA	3	3	4	4	3	4	3	2	4	4	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

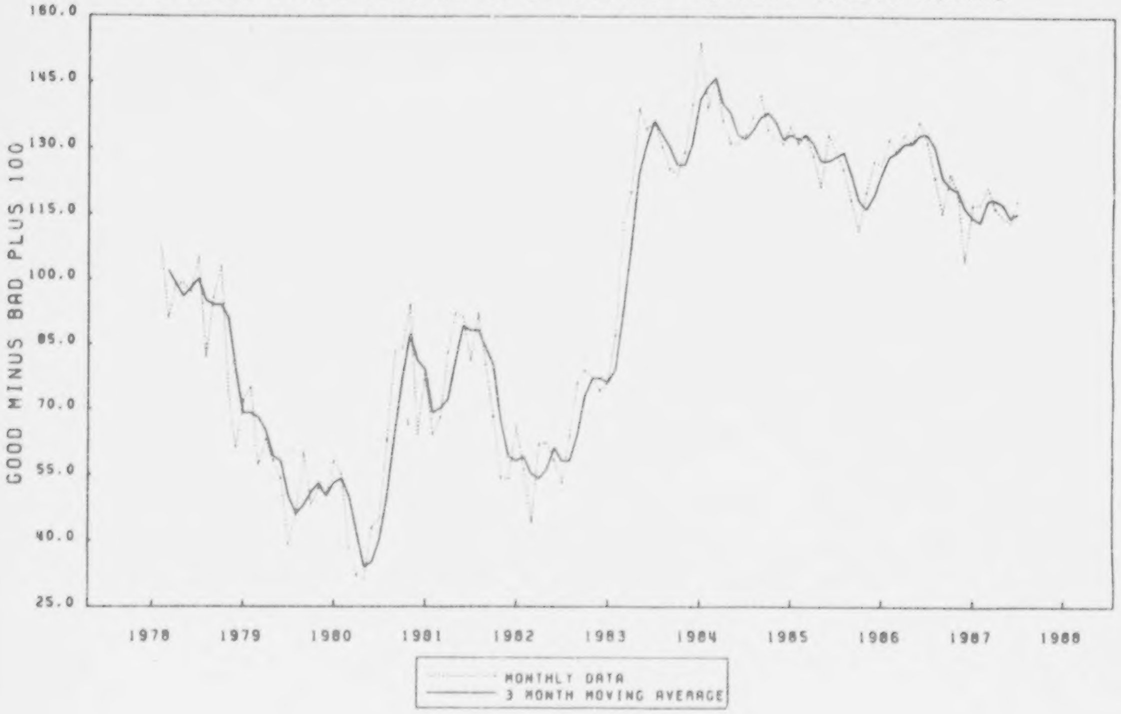


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

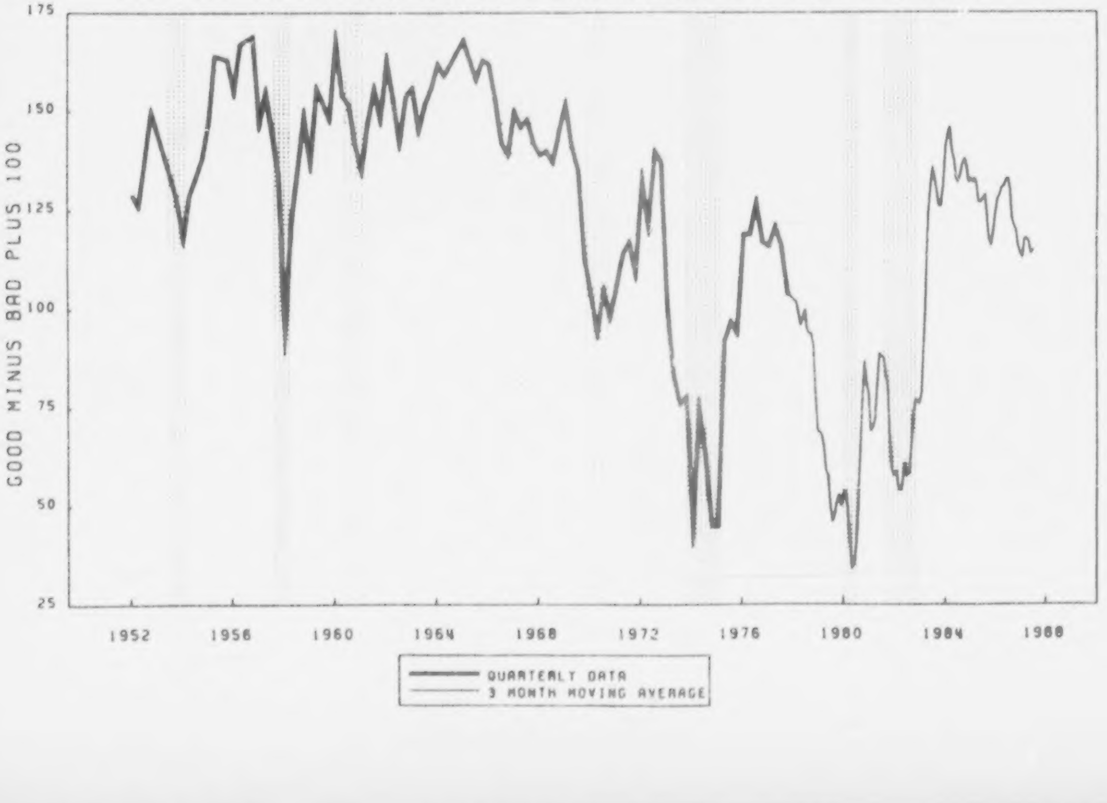


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIMES	61%	55%	50%	55%	53%	45%	53%	53%	55%	51%	51%	50%	51%
UNCERTAIN; GOOD & BAD	3	4	3	3	3	2	3	1	2	2	1	2	2
BAD TIMES	30	32	35	31	33	41	36	36	34	35	37	37	33
DON'T KNOW	4	5	8	4	5	5	4	5	5	8	5	5	7
NOT ASCERTAINED	2	4	4	7	6	7	4	5	4	4	6	6	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

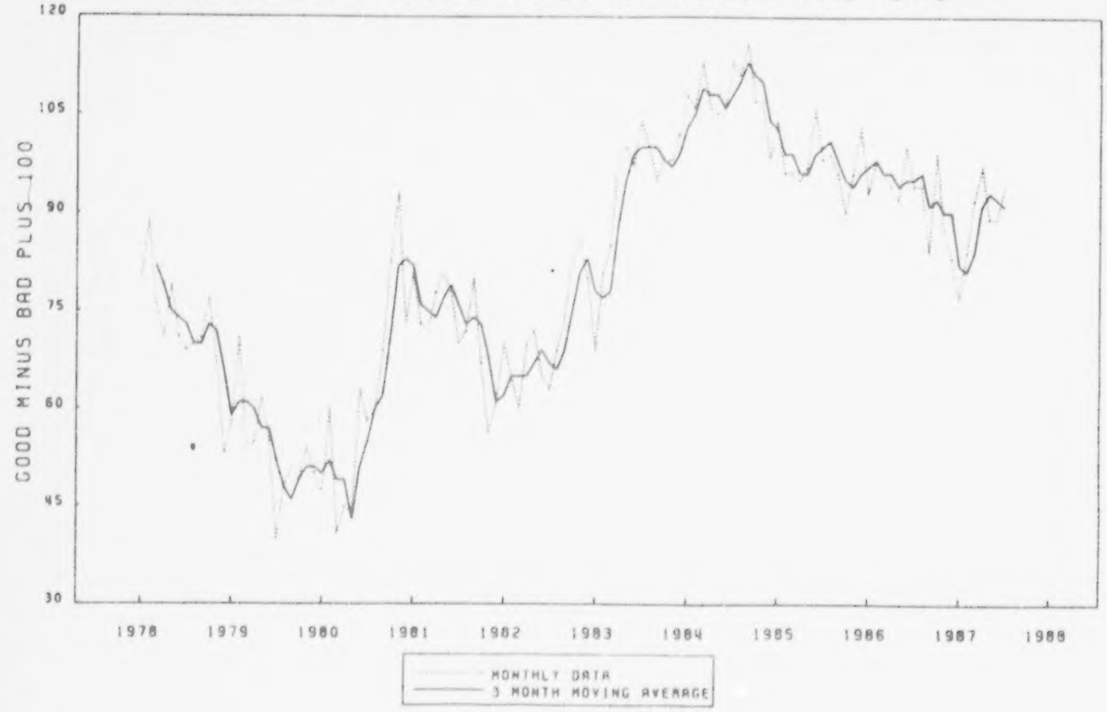


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

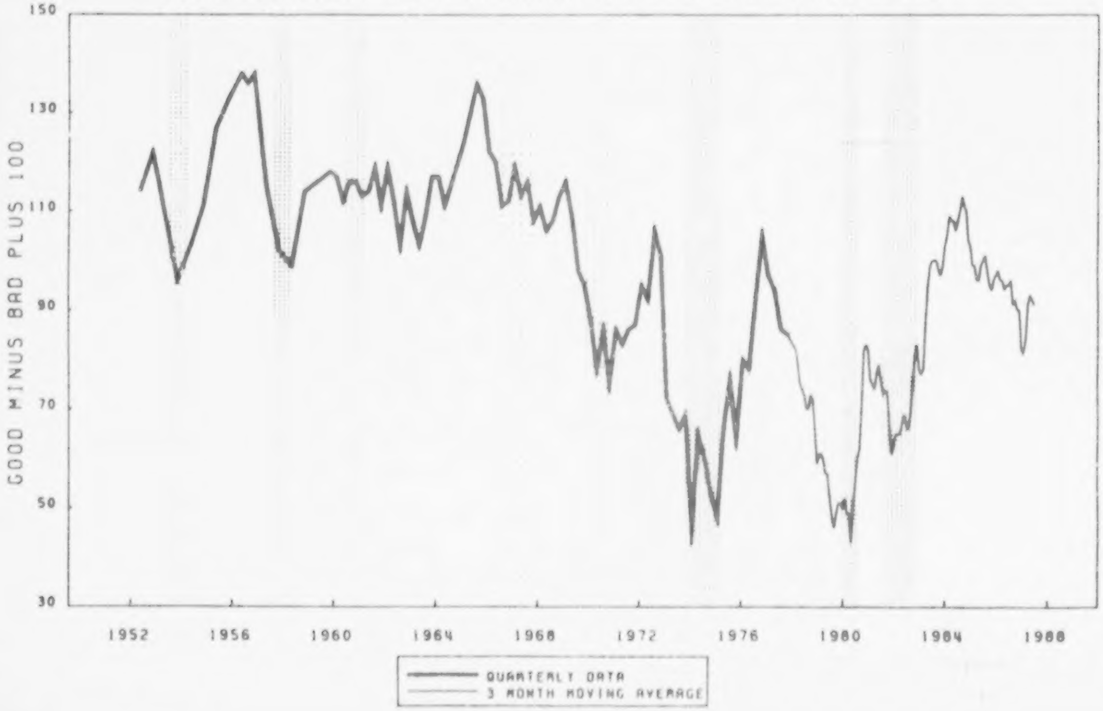


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIMES	38%	39%	33%	41%	35%	33%	30%	34%	39%	41%	36%	37%	36%
UNCERTAIN; GOOD & BAD	13	10	11	13	14	13	13	12	10	9	13	9	15
BAD TIMES	44	45	49	42	48	50	53	50	47	44	47	48	42
NOT ASCERTAINED	5	6	7	4	3	4	4	4	4	6	4	6	7
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

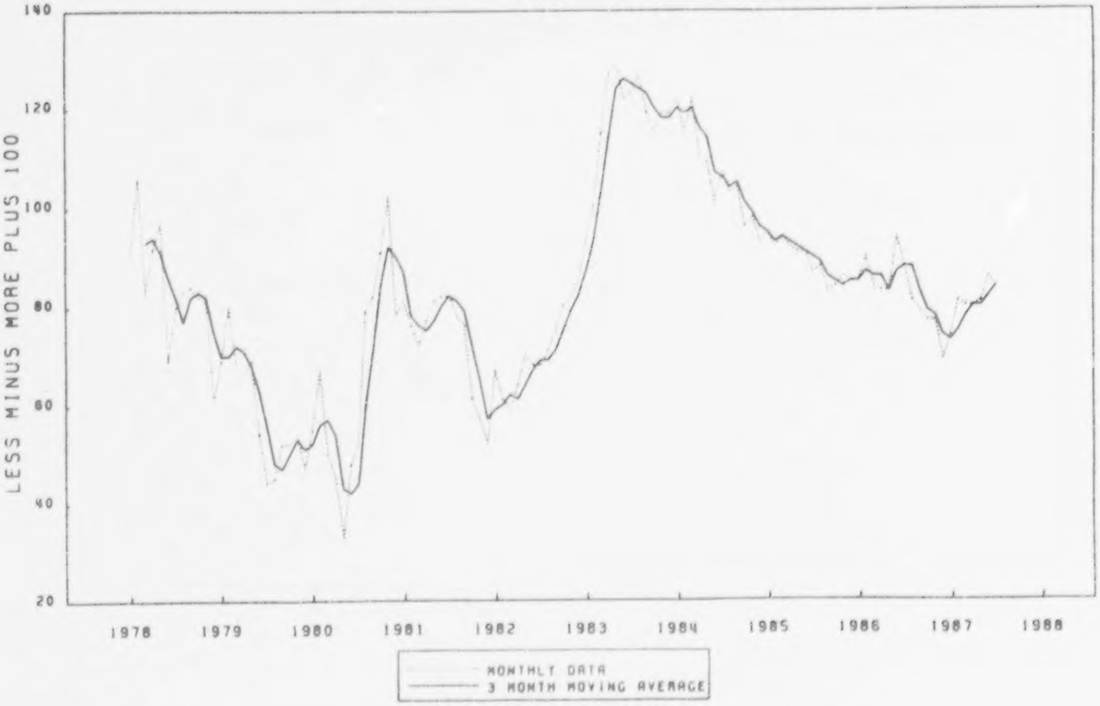


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

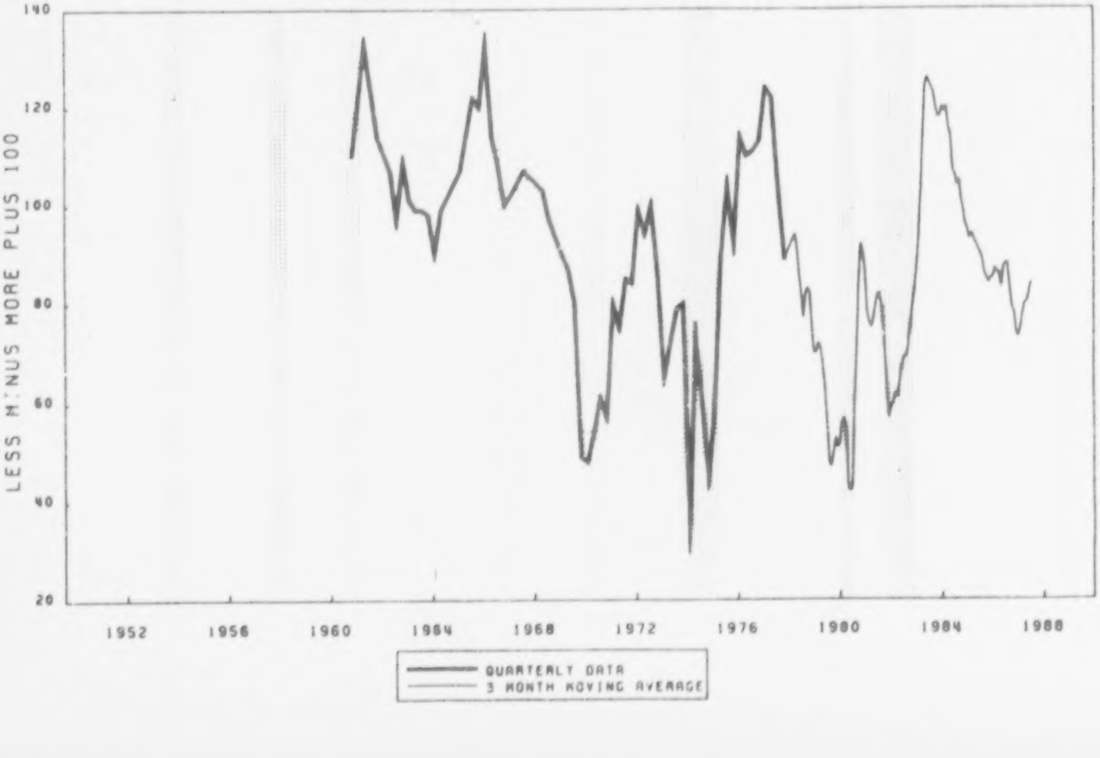


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
LESS	15%	13%	11%	10%	11%	11%	12%	14%	15%	13%	13%	16%	14%
SAME	56	54	54	55	54	46	49	52	48	52	53	52	55
MORE	27	32	32	33	34	42	38	33	35	33	32	30	30
DK,NA	2	1	3	2	1	1	1	1	2	2	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

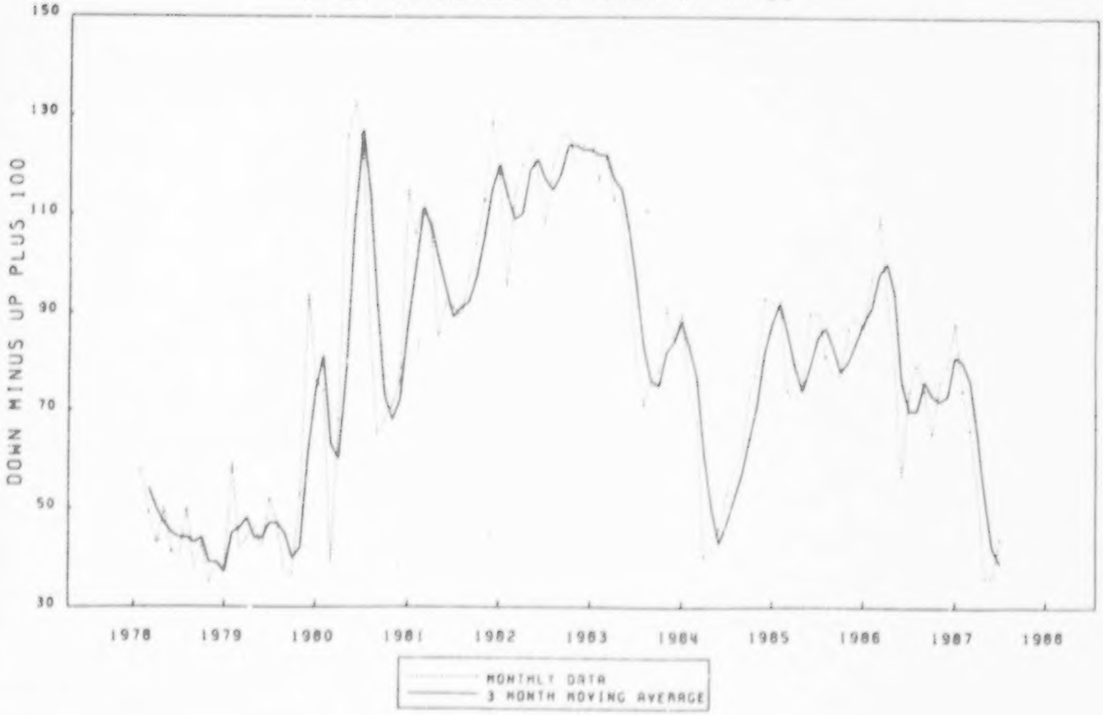


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

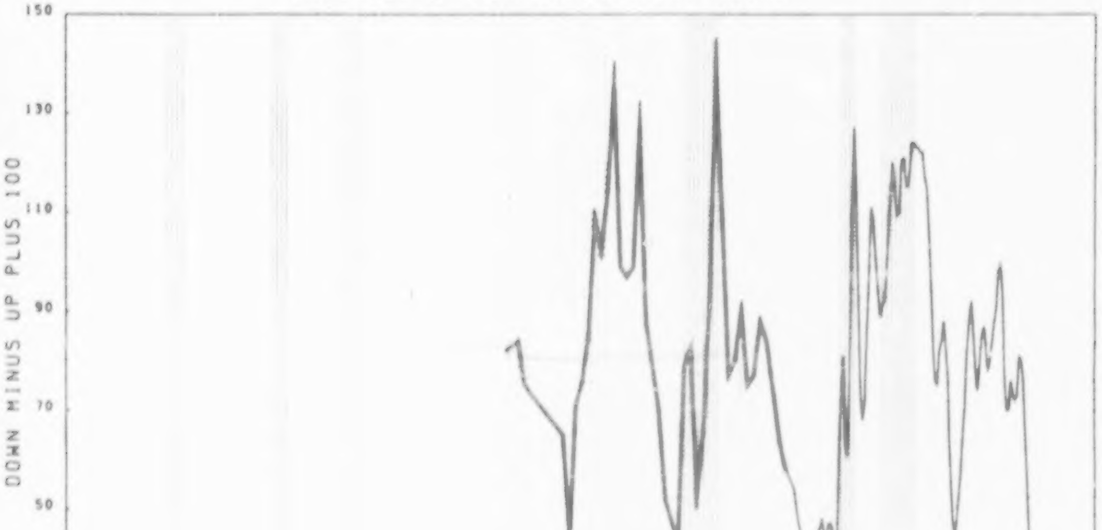


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GO UP	45%	42%	49%	50%	43%	41%	37%	43%	49%	57%	71%	69%	64%
STAY THE SAME	35	34	26	33	37	37	35	38	33	29	21	24	26
GO DOWN	19	22	23	15	19	20	25	17	15	11	7	5	8
DK,NA	1	2	2	2	1	2	3	2	3	3	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

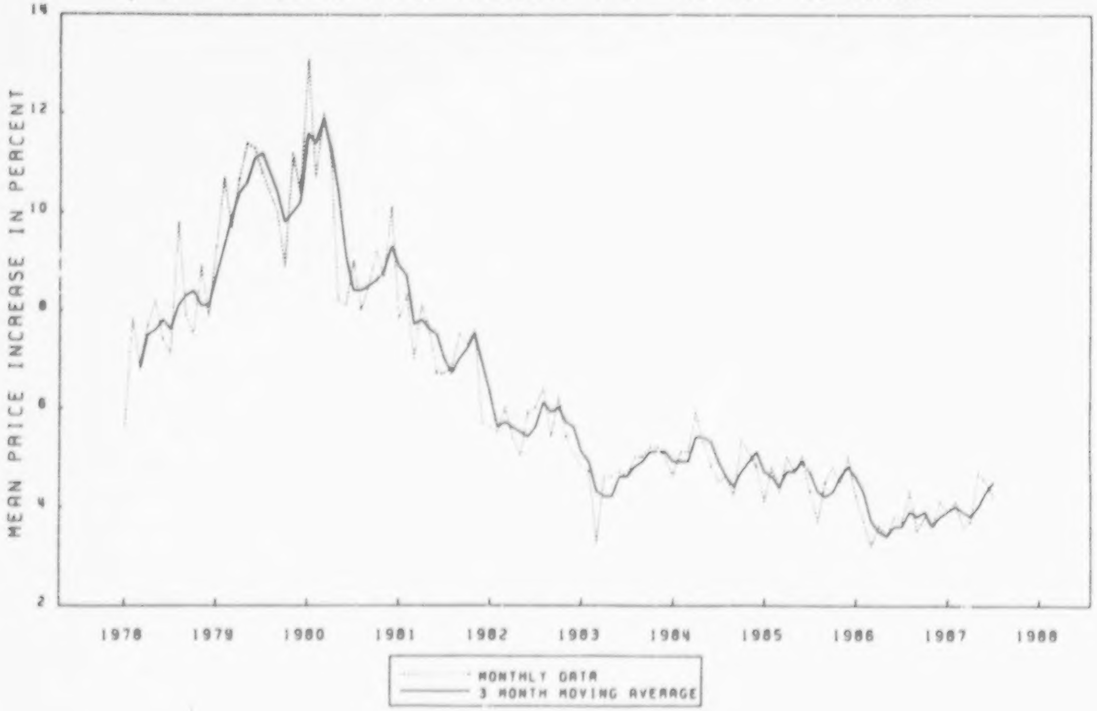


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

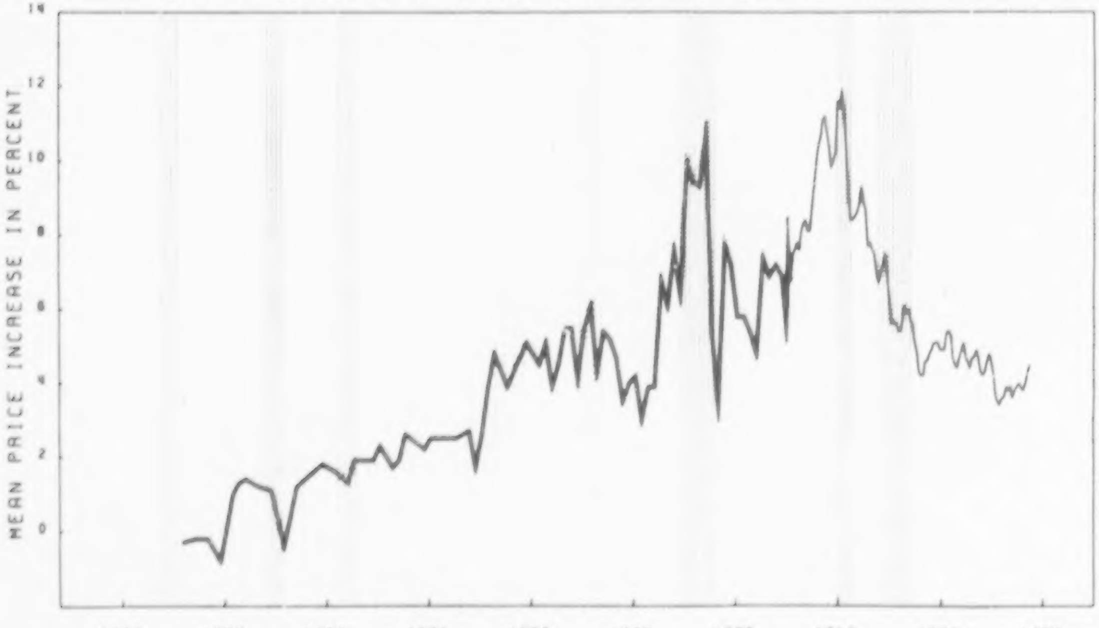


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
SAME OR DOWN	29%	21%	23%	22%	22%	20%	20%	21%	21%	19%	15%	14%	17%
WILL GO UP BY:													
1-2%	13	18	18	17	19	18	18	17	19	19	18	18	20
3-4%	23	24	23	19	25	23	24	21	21	23	23	25	23
5%	16	14	16	21	15	17	14	18	18	16	18	17	16
6-9%	5	7	5	5	6	7	6	5	6	8	10	7	7
10-14%	5	8	5	8	7	6	7	9	5	7	7	8	9
15% or more	4	4	3	2	2	4	4	4	3	2	4	4	3
DK how much up	4	4	6	5	3	4	6	5	6	6	4	6	4
DK,NA	1	*	1	1	1	1	1	*	1	*	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.7	4.3	3.5	3.8	3.6	4.1	3.9	4.1	3.6	3.7	4.7	4.5	4.2
VARIANCE	32	38	18	17	28	32	25	26	18	21	36	27	28
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

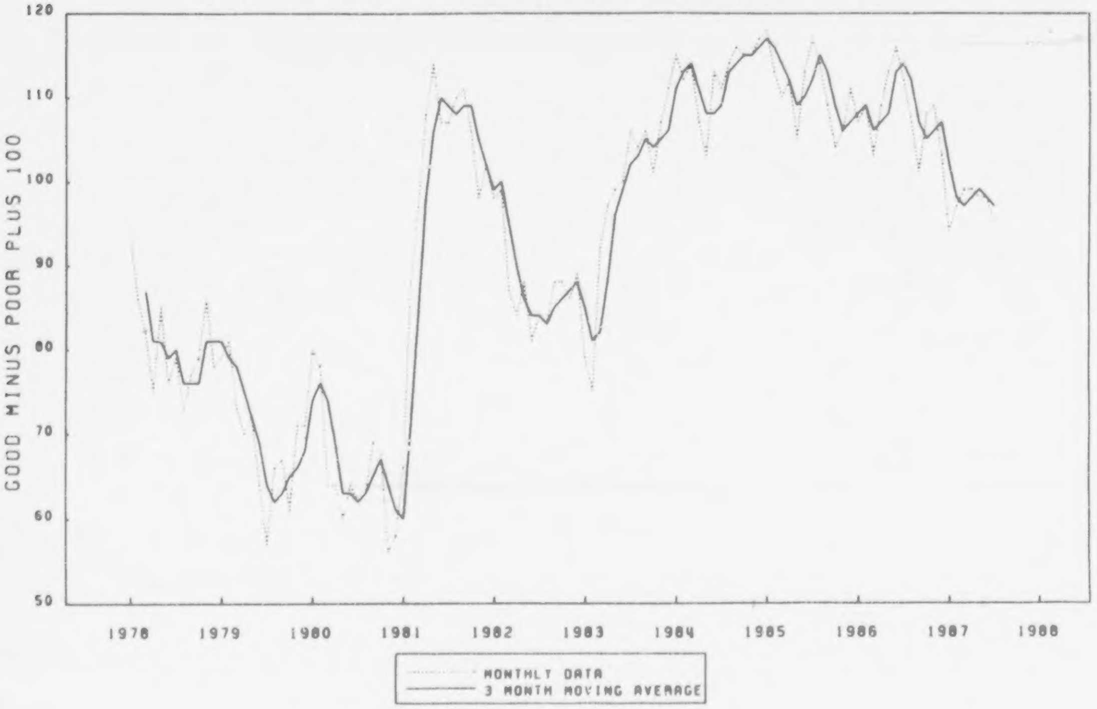


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

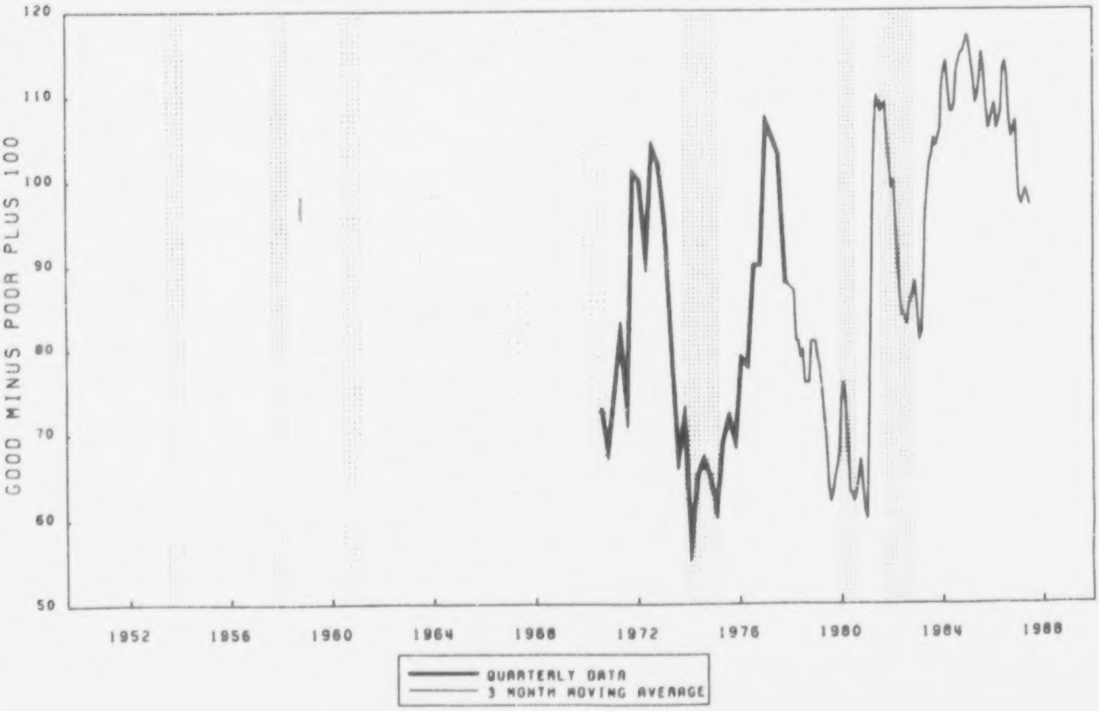


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
A GOOD JOB	29%	28%	22%	27%	28%	26%	20%	23%	23%	21%	21%	23%	21%
ONLY FAIR	52	50	54	52	51	49	52	49	52	55	55	49	52
A POOR JOB	17	21	21	19	19	23	26	26	24	22	23	25	26
DK,NA	2	1	3	2	2	2	2	2	1	2	1	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

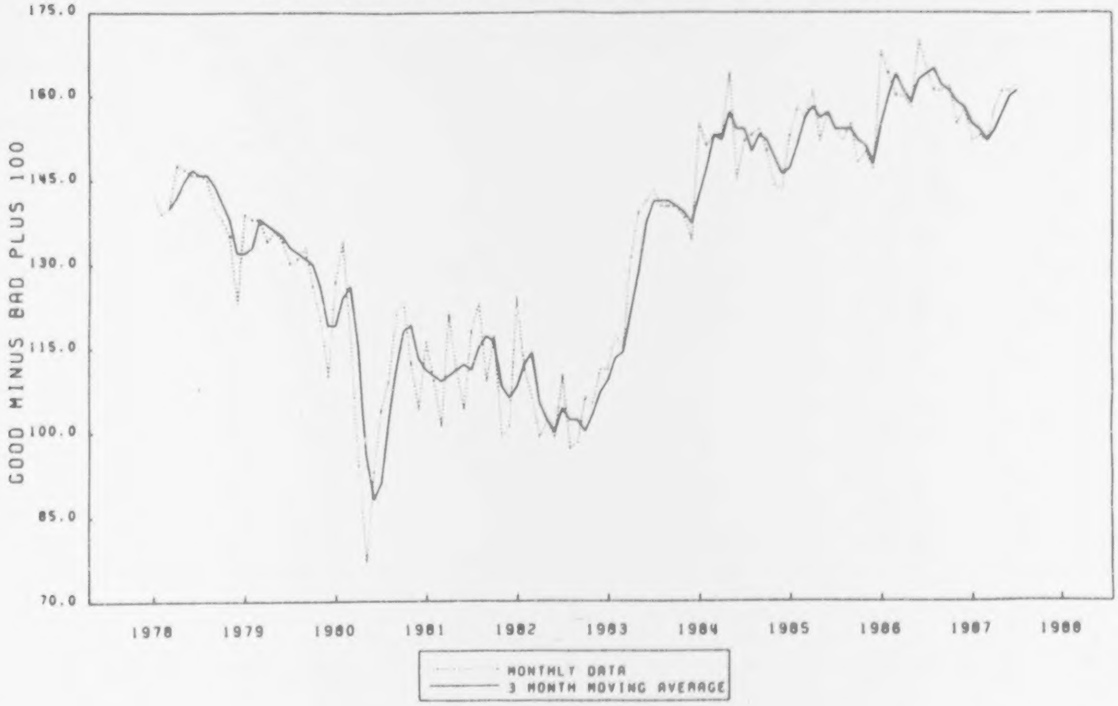


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

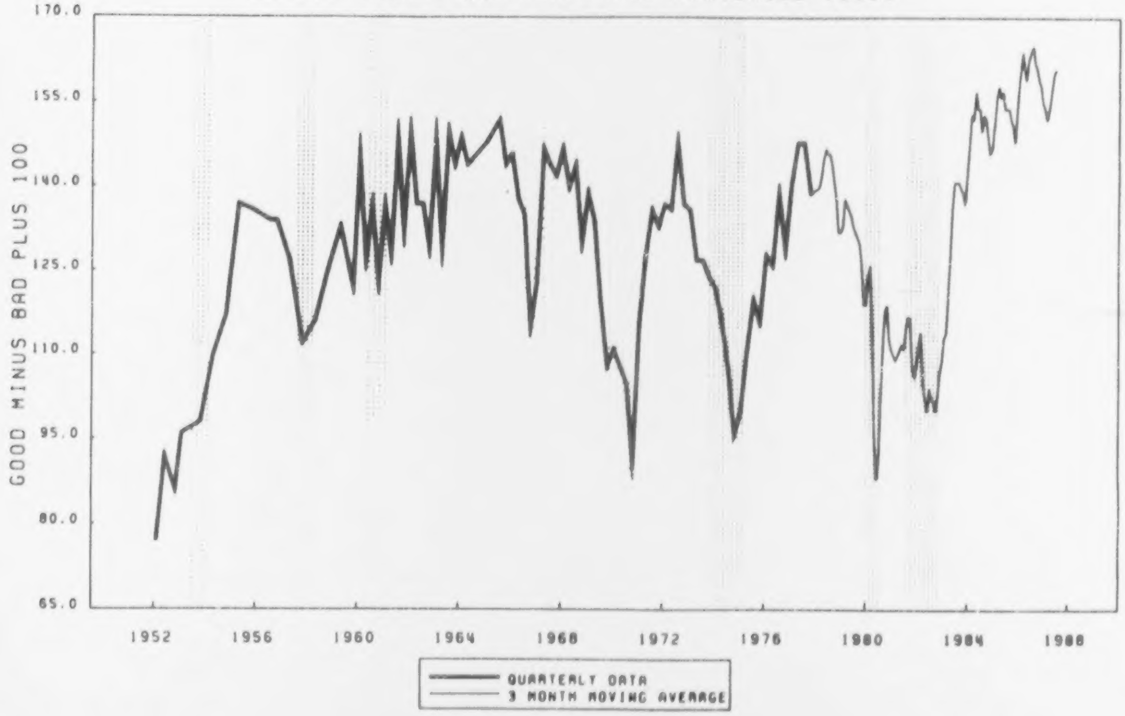


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIME TO BUY	79%	77%	76%	76%	72%	75%	72%	73%	71%	74%	76%	76%	76%
UNCERTAIN, DEPENDS	7	7	9	10	11	8	8	7	10	10	9	9	10
BAD TIME TO BUY	14	16	15	14	17	17	20	20	19	16	15	15	14
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

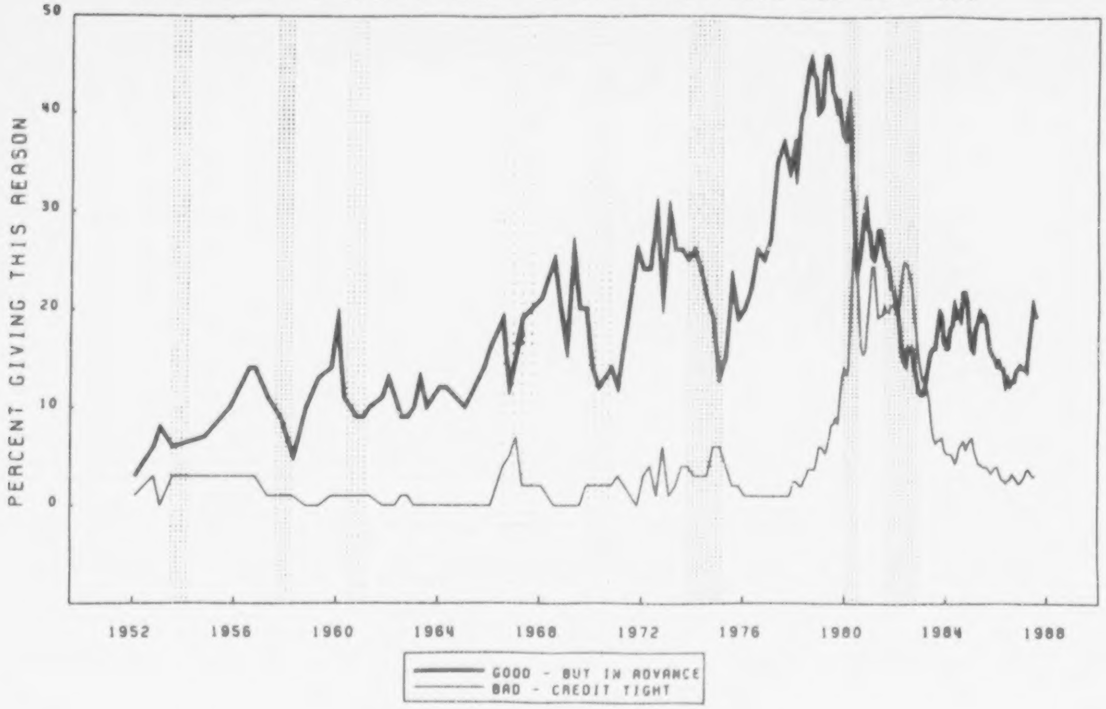


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

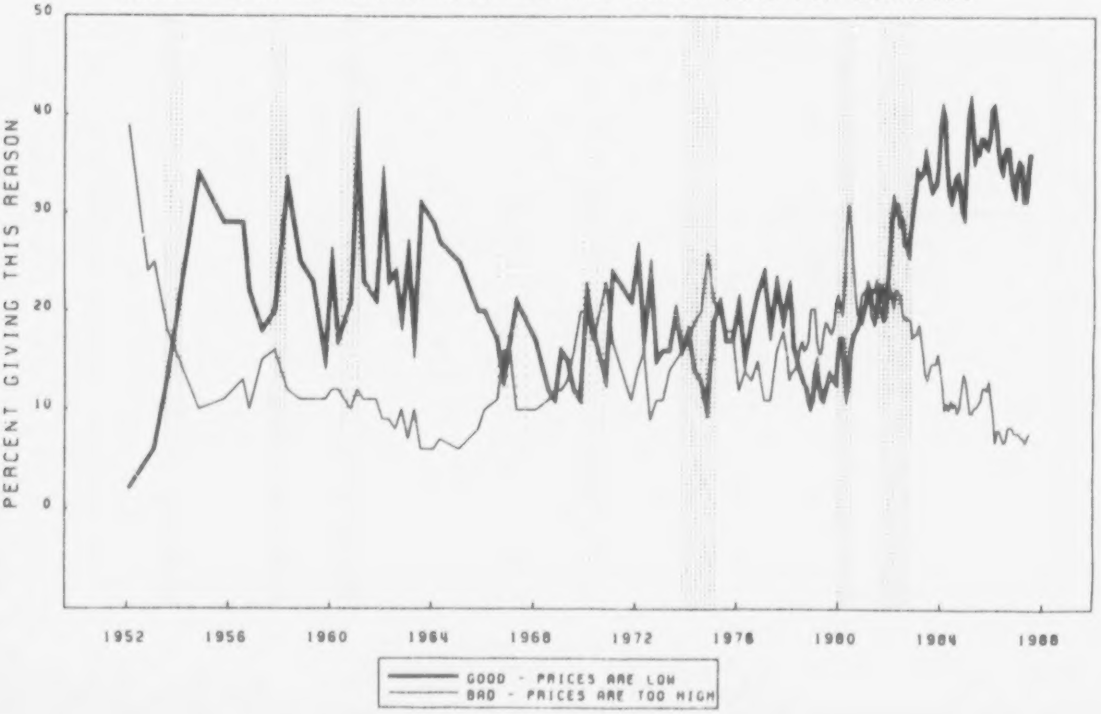


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	40%	35%	35%	33%	30%	33%	40%	33%	32%	29%	33%	38%	37%
Prices won't come down; are going higher	11	13	14	14	14	15	13	14	14	20	20	21	17
Interest rates low; credit is easy	26	26	29	26	25	18	20	21	23	21	19	15	13
BAD TIME TO BUY:													
Prices are high	7	8	10	7	8	8	7	8	7	7	6	9	8
Interest rates are high; credit is tight	3	4	2	2	3	2	3	4	4	3	3	3	3
Lack of purchasing power	6	7	8	7	8	6	8	7	8	5	4	6	5

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

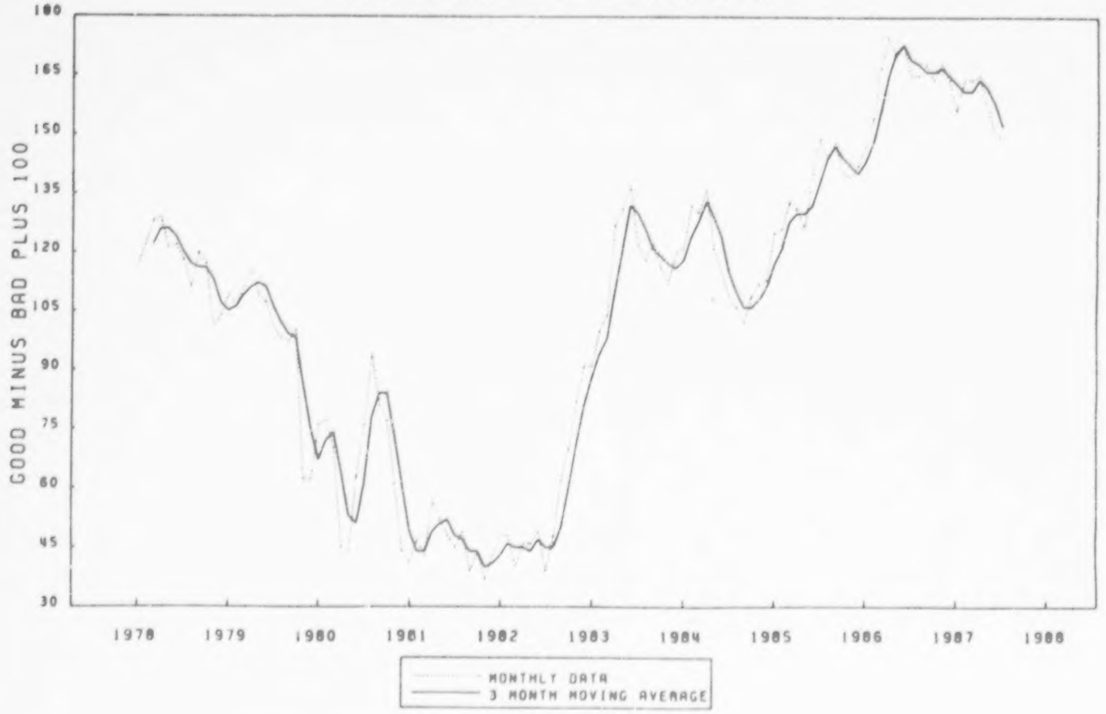


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

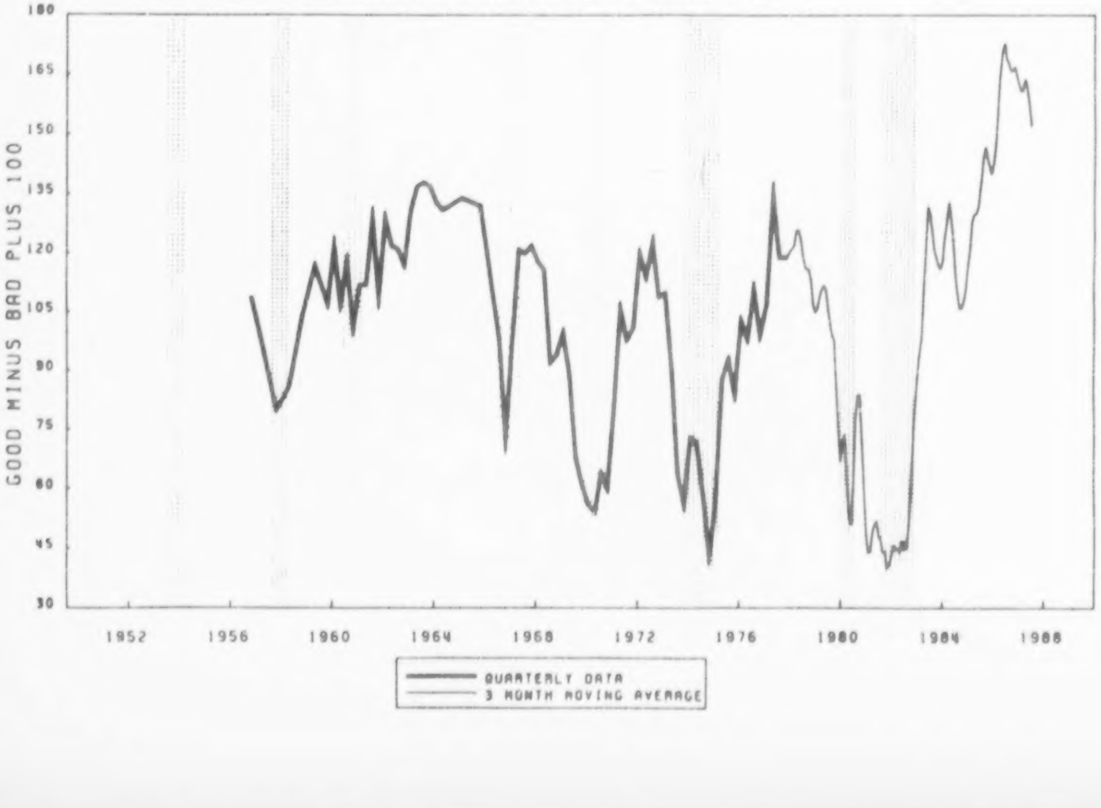


TABLE 23

BUYING CONDITIONS FOR HOUSES

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIME TO BUY	82%	81%	83%	81%	83%	80%	76%	81%	80%	82%	77%	73%	72%
UNCERTAIN, DEPENDS	1	3	2	2	2	4	4	2	4	1	4	4	5
BAD TIME TO BUY	17	16	15	17	15	16	20	17	16	17	19	23	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

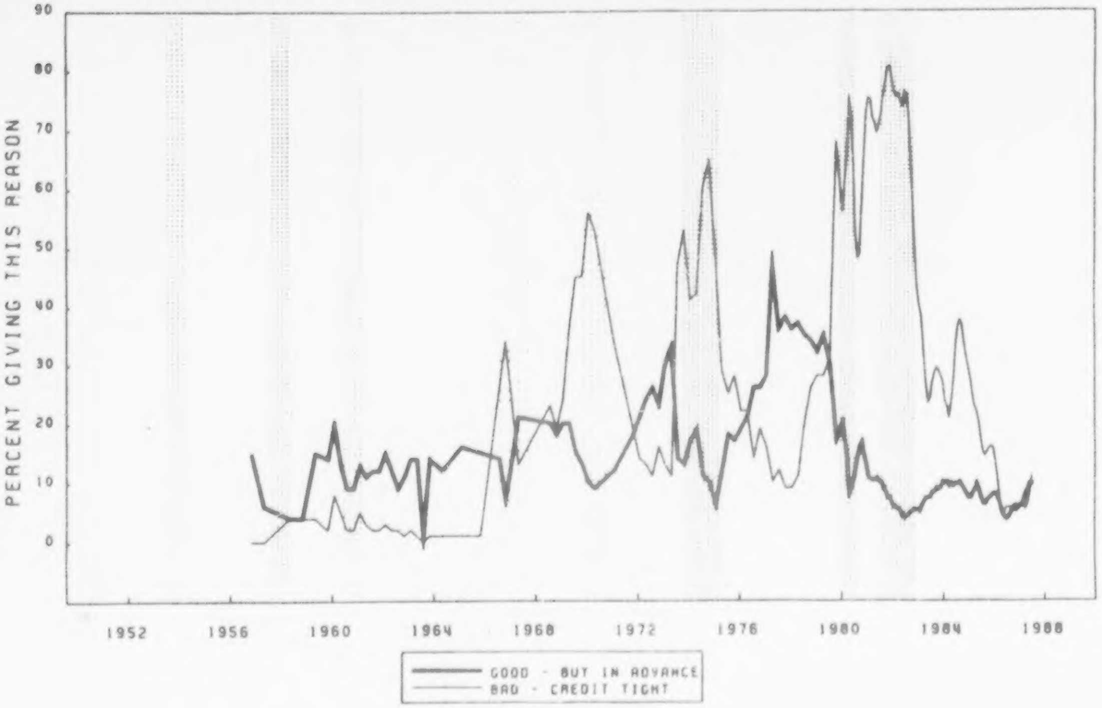


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

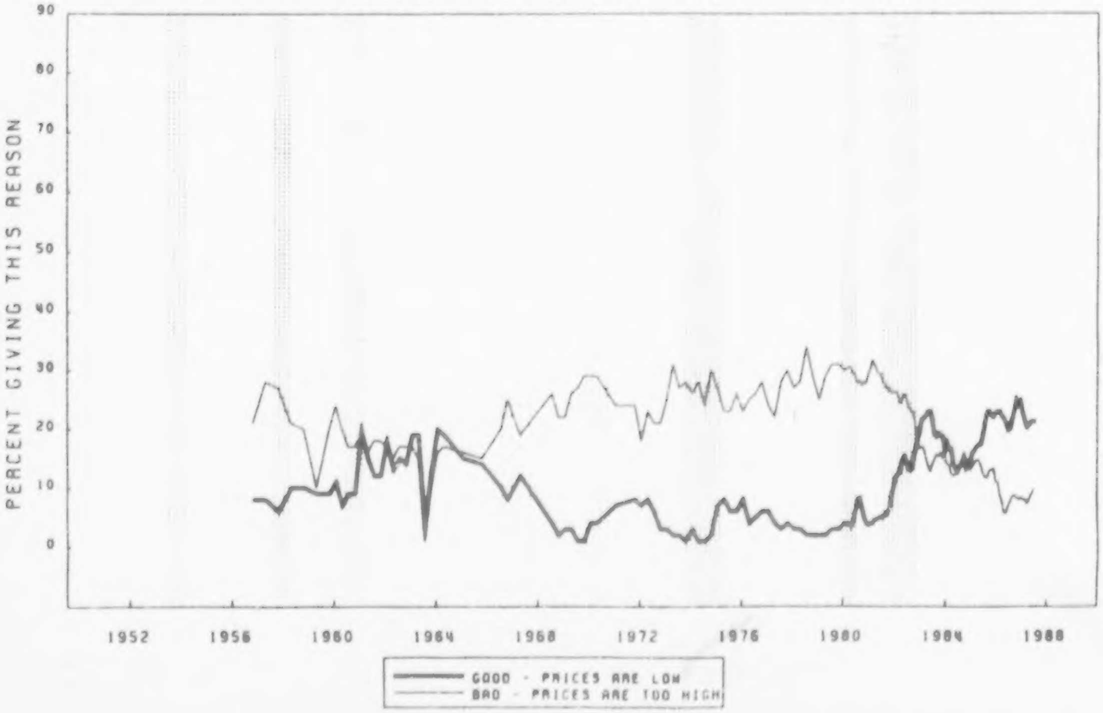


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	18%	21%	26%	22%	27%	23%	24%	21%	19%	21%	22%	21%	21%
Prices won't come down; are going higher	4	4	6	6	6	6	5	7	8	9	9	11	9
Interest rates low; credit is easy	77	78	79	75	75	73	69	74	71	71	66	63	59
Good investment	5	3	5	6	5	6	6	3	6	7	5	5	6
BAD TIME TO BUY:													
Prices are high	9	8	9	9	7	8	10	6	8	8	9	10	10
Interest rates are high; credit is tight	7	5	5	5	5	5	7	6	6	4	9	12	12
Lack of purchasing power	7	8	6	8	8	7	9	8	6	8	6	8	5

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

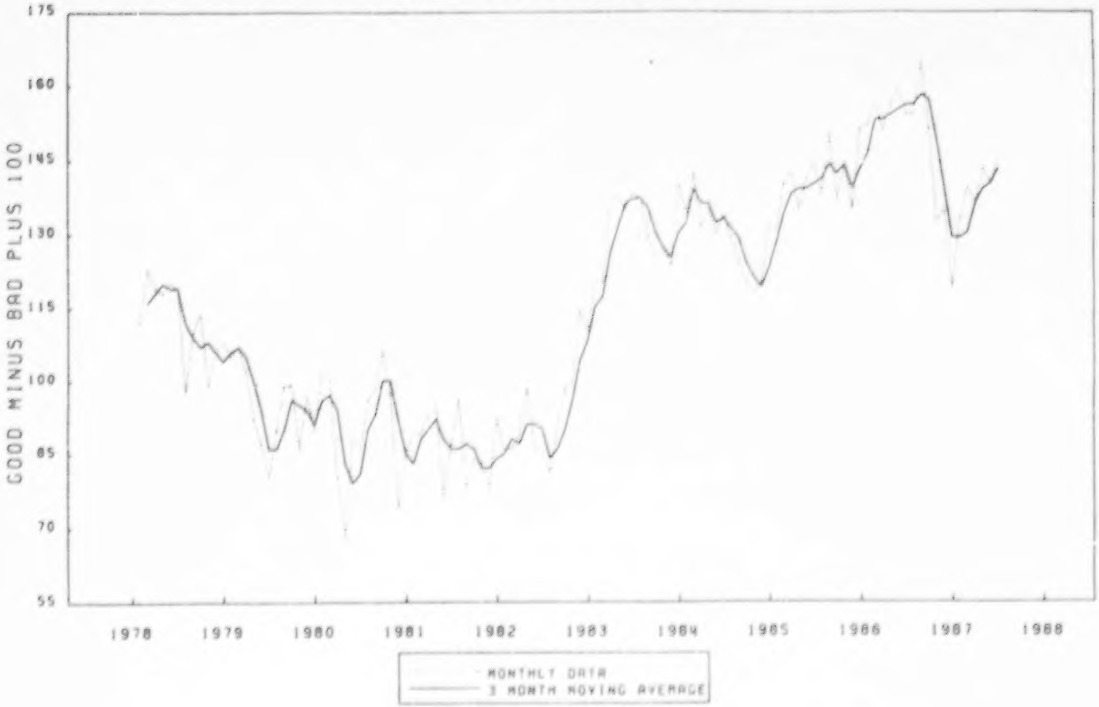


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

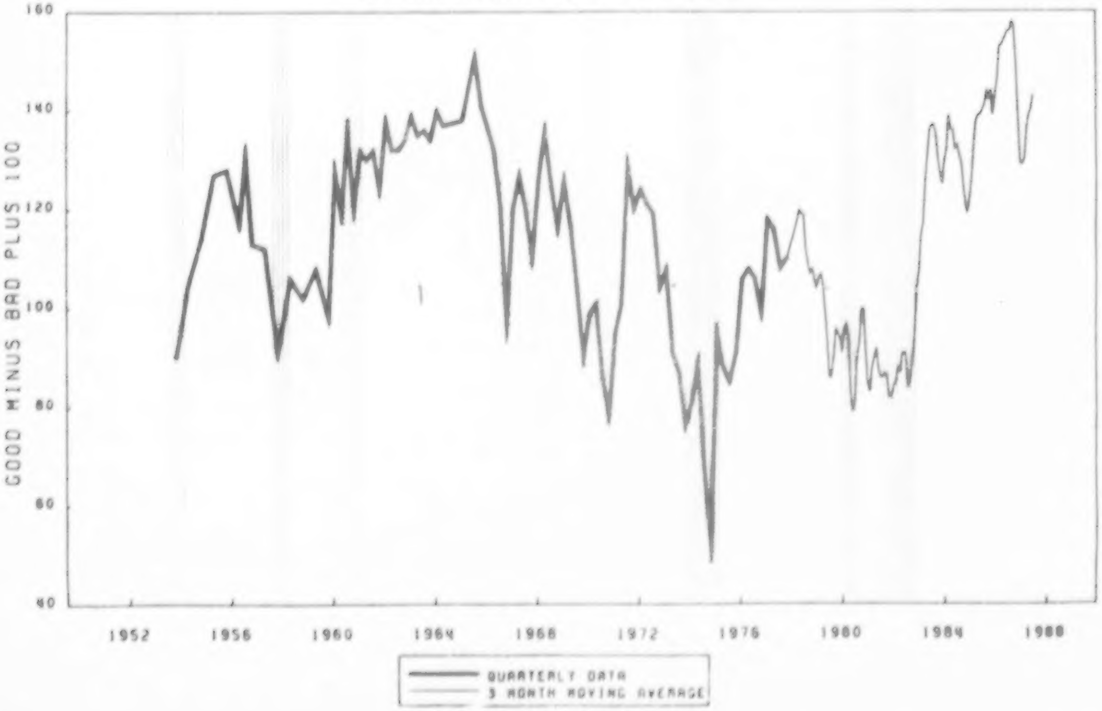


TABLE 25

BUYING CONDITIONS FOR CARS

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIME TO BUY	74%	73%	81%	72%	63%	64%	55%	62%	66%	64%	67%	65%	67%
UNCERTAIN; DEPENDS	6	8	3	7	6	7	9	9	7	8	9	10	11
BAD TIME TO BUY	20	19	16	21	31	29	36	29	27	28	24	25	22
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	665	653	659	651	656	653	655	657	652	652	651	654	651

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

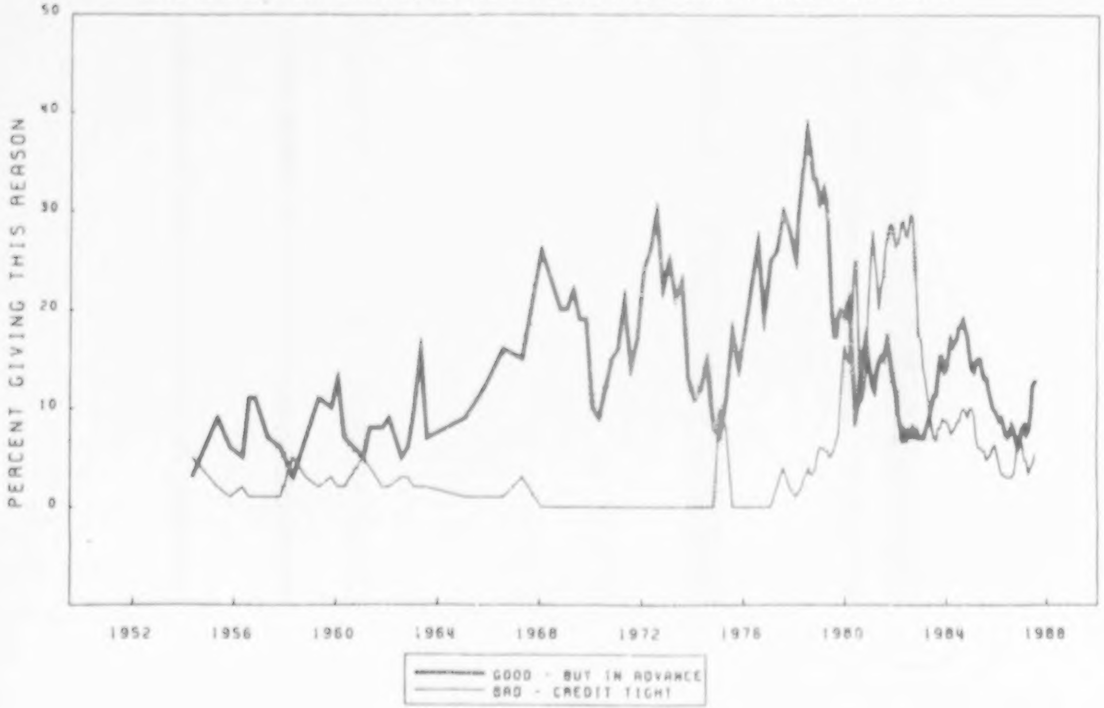


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

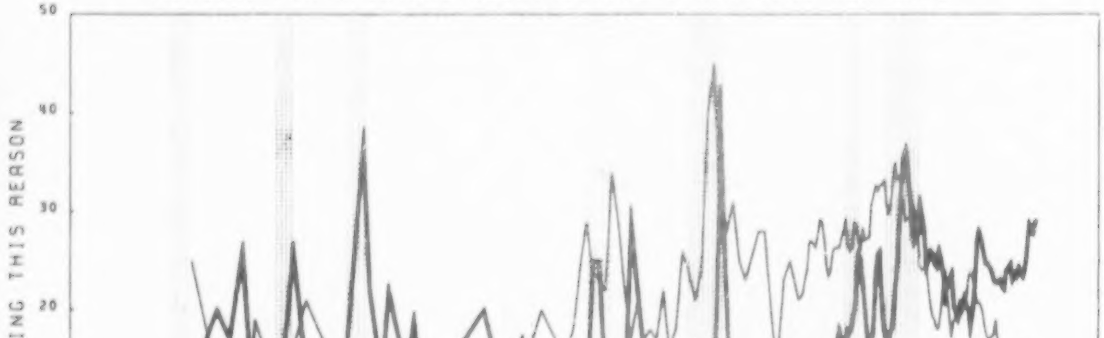


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1986	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	23%	25%	22%	26%	23%	21%	29%	29%	28%	27%	28%	32%
Prices won't come down; are going higher	8	9	6	5	7	9	8	8	6	9	13	15	10
Interest rates low; credit is easy	53	52	73	58	43	45	34	38	44	40	40	38	30
New fuel efficient models	1	*	*	*	*	*	1	*	*	1	*	1	1
BAD TIME TO BUY:													
Prices are high	14	12	11	12	17	15	17	13	15	15	15	16	15
Interest rates are high; credit is tight	3	3	4	8	9	4	6	4	4	2	6	5	5
Lack of purchasing power	5	5	2	2	4	4	6	6	5	5	5	4	4
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	*	1
Poor selection; quality	3	1	1	1	2	2	2	2	2	3	3	2	3

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

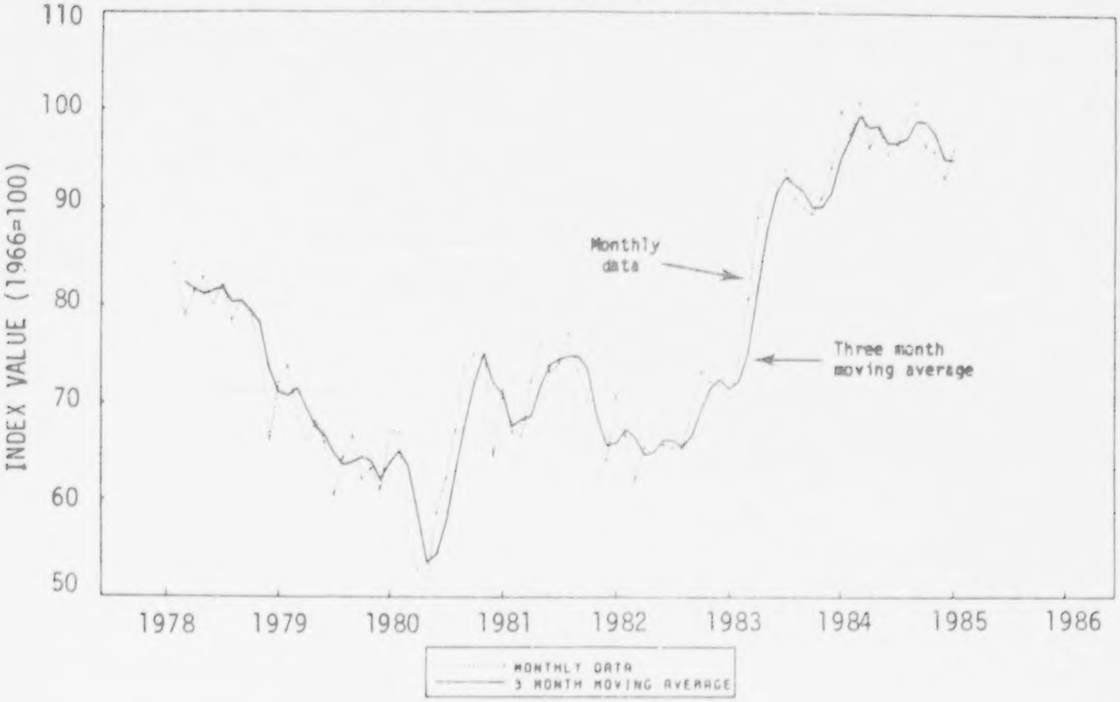
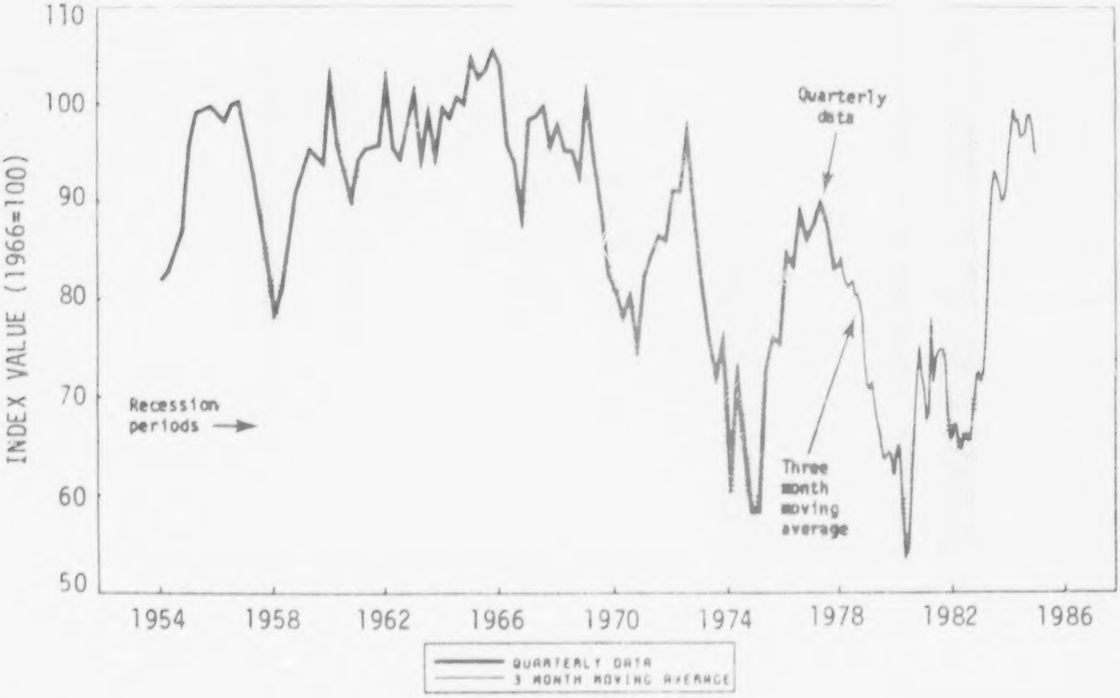


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

August 14, 1987

JULY 1987 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

PERSONAL FINANCIAL CONCERNS WEAKEN SPENDING PLANS

* In the July 1987 survey, the Index of Consumer Sentiment was 93.7, between the 91.5 recorded one month earlier, and the 97.7 recorded one year earlier. This marks the longest sustained period of consumer confidence since the mid 1960's. The Index first rose above the mid 1970's peak in May of 1983, following a strong initial surge in consumer optimism in the last half of 1982 and early 1983, and since then has remained at those favorable levels--93.3 in May 1983 versus 93.9 in July 1987. The cyclical peak was recorded in March 1984 (101.0), and was nearly regained in June 1986 (99.3).

* Although the Index has shown only small variations in trend during the past four years, the mix of evaluations and expectations that characterized the optimism of 1983 is quite different than current mix which continues to support consumer confidence. In early 1983, consumer optimism was based on the expectation of improved economic conditions--both for the economy as a whole as well as for their own financial situation. Currently, consumer confidence is not based on the expectation of further improvement, but rather it is now built on the improved financial situation that more than four years of economic expansion has provided. While the expected rate of economic growth has slowed as the expansion has lengthened, few consumers expect the economy to slip into recession during the next year or so. Importantly, expected trends in interest rates now dominate these growing economic concerns.

* Personal financial evaluations remained favorable in the July survey, although somewhat diminished from one year earlier. Among all families in the July 1987 survey, 45 percent reported that their financial situation had improved, down from the cyclical peak of 49 percent recorded in July 1986. Although slightly fewer families reported income increases in July 1987 than one year earlier (36, down from 39 percent), income declines were also less frequently reported (12, down from 18 percent).

* Consumers view prospects for their own financial situation in positive terms, but not nearly as optimistically as one year earlier. Among all families in the July 1987 survey, 34 percent expected their financial situation to improve, down from 38 percent one year earlier, and the peak of 43 percent in early 1983. The decline in personal financial optimism has been due to smaller expected gains in family income, while the expected rate of inflation has edged upward. The median expected annual increase in family income was 2.7% in July 1987, down from 3.8% one year earlier. At the same time the median expected rate of inflation rose to 3.2% in July 1987 from 2.9% one year earlier. As a consequence, real income expectations were the least favorable in July 1987 since the start of the expansion.

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- This more cautious outlook for personal finances has resulted in consumers being less willing to incur new debt or draw down accumulated savings in order to finance new purchases. In the July 1987 survey, 21 percent of all families reported that they were not reluctant to use credit, down from 35 percent one year earlier, and the lowest level since the expansion began (see Table A). Willingness to use accumulated savings fell to 34 percent in July 1987 from 41 percent one year earlier (see Table B).

- Evaluations of economic conditions in the country as a whole were slightly better in the July survey than during the first half of the year. Among all families, 50 percent reported that the economy had improved, up from 43 percent in January, while 26 percent expected further improvement during the year ahead, up from 24 percent in January. The majority of families, however, continued to expect little if any change in the performance of the economy during the year ahead.

- Interest rates were expected to increase during the year ahead by 64 percent of all families in the July 1987 survey, somewhat below the recent peak of 71 percent recorded in May, but substantially above the 45 percent recorded one year earlier.

- The largest and most important change in consumer evaluations of buying conditions has been centered on interest rate trends. During the past year, the proportion of families that favorably mentioned interest rates when explaining their views has fallen sharply. When asked about home buying conditions, favorable references to mortgage rates fell to 59 from 77 percent from July 1986 to July 1987; for vehicles, the decline was to 30 from 53 percent; and for purchases of major household durables, favorable references to finance rates fell to 13 from 26 percent. These changing perceptions of interest rates have diminished favorable buying attitudes. The new round of interest rate discounts on vehicle purchases will help reverse these declines.

- Favorable attitudes toward buying conditions for homes were held by 72 percent of all families in the July 1987 survey, down from 82 percent one year earlier. Favorable vehicle buying attitudes were held by 67 percent in the July 1987 survey, down from 74 percent one year earlier. Favorable attitudes toward purchases of major household durables were held by 76 percent of all families in July, down from 79 percent in 1986. Although such a modest overall decline still leaves buying attitudes at relatively favorable levels, these reactions by consumers underscore the importance now given to interest rates in purchase timing decisions.

TABLE A

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

Survey Date	Use of Credit... OK; not reluctant	Pro-con	Not OK; reluctant	Don't know; NA	Total	# cases	Relative score
July 1982	11%	1%	86%	2%	100%	708	25
July 1983	28	1	69	2	100	680	59
July 1984	27	1	71	1	100	656	56
July 1985	28	*	68	4	100	641	60
July 1986	35	1	63	1	100	665	72
July 1987	21	*	76	3	100	651	45

*Less than 0.5 percent.

The question was: "If there were something that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

TABLE B

OPINIONS ABOUT WHETHER NOW IS A GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage distribution of families with savings)

Survey Date	Use of Savings... OK; not reluctant	Pro-con	Not OK; reluctant	Don't know; NA	Total	# cases	Relative score
July 1982	26%	1%	72%	1%	100%	650	54
July 1983	37	*	61	2	100	623	76
July 1984	35	*	63	2	100	591	72
July 1985	38	*	58	4	100	587	80
July 1986	41	1	56	2	100	608	85
July 1987	34	*	62	4	100	603	72

*Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?"

SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

AUGUST 1987

The August 1987 survey is the 229th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	TITLE
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

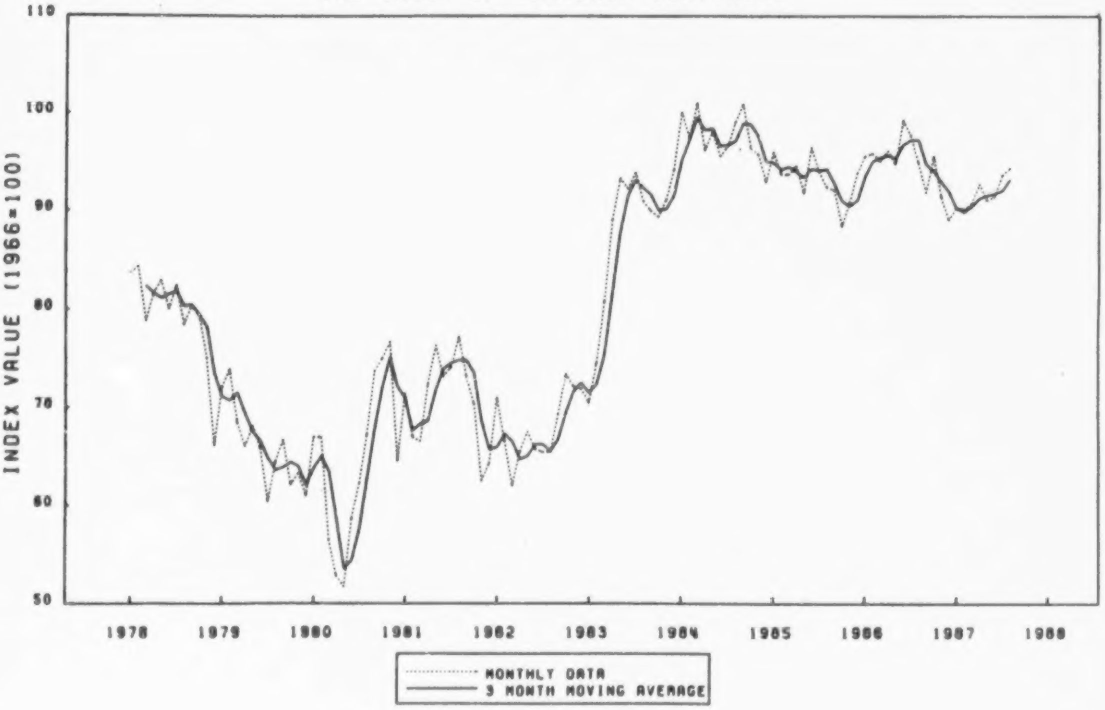


CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

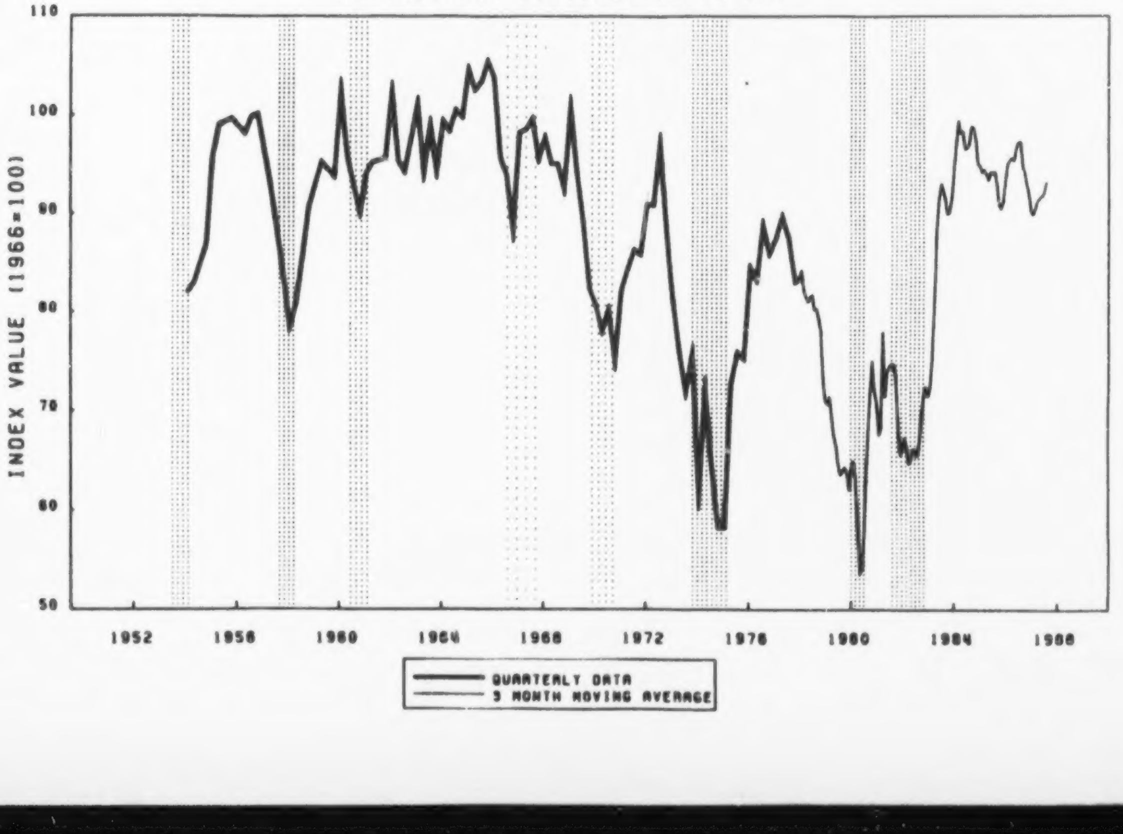


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over \$30,000	Families with incomes over \$40,000
August	1984	99.1	113.3	116.4
September	1984	100.9	110.8	112.9
October	1984	96.3	113.5	114.8
November	1984	95.7	112.9	113.6
December	1984	92.9	101.5	101.7
January	1985	96.0	110.2	112.1
February	1985	93.7	113.8	113.8
March	1985	93.7	110.8	114.4
April	1985	94.6	108.9	114.9
May	1985	91.8	105.3	107.7
June	1985	96.5	107.4	110.3
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

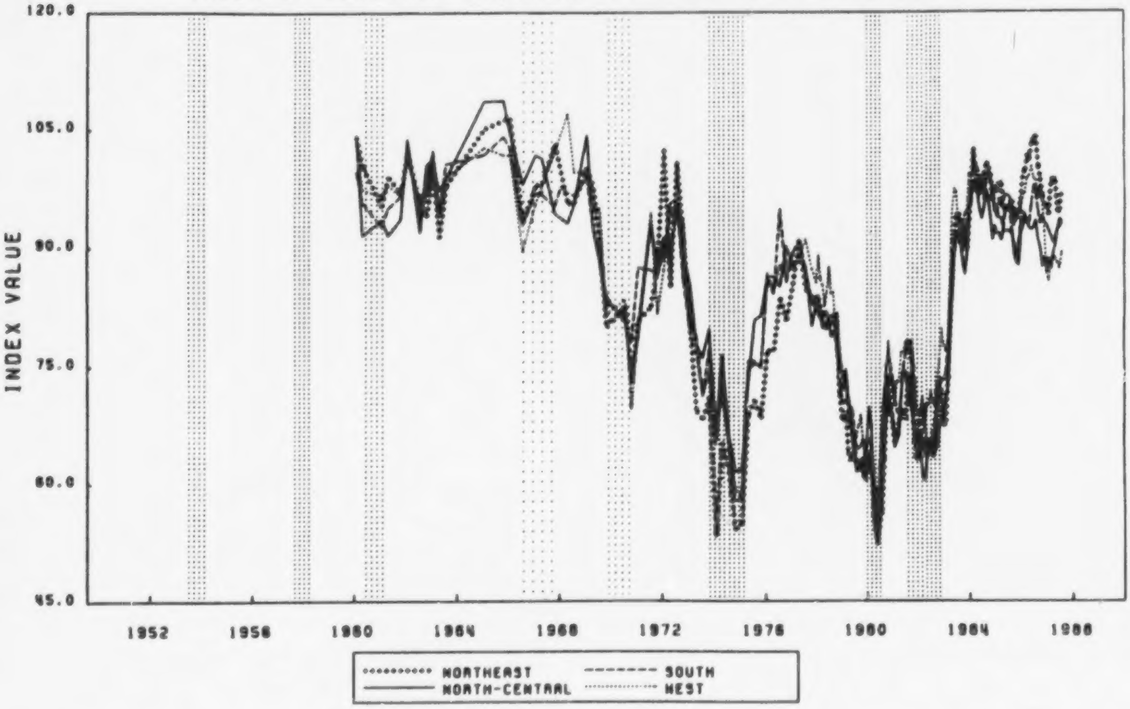


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

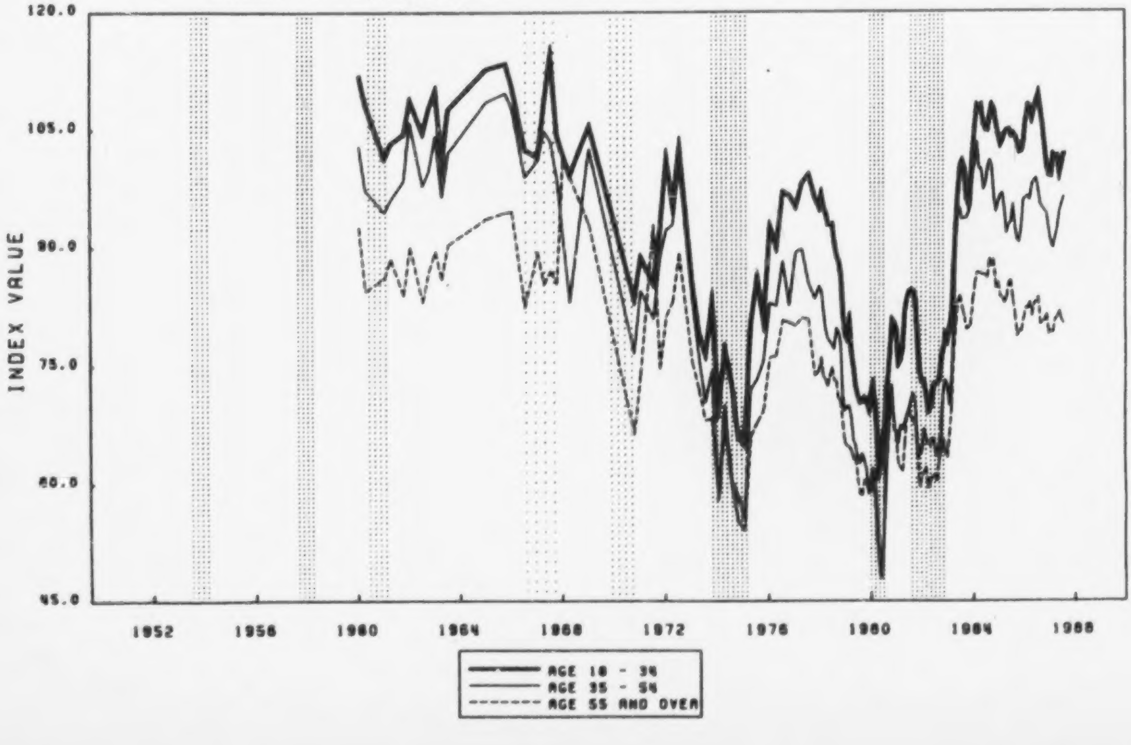


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

		CENSUS REGION				AGE OF RESPONDENT		
DATE OF SURVEY		North East	North Central	South	West	18-34	35-54	55+
August	1984	103.1	100.2	97.5	95.4	106.8	105.3	85.2
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8

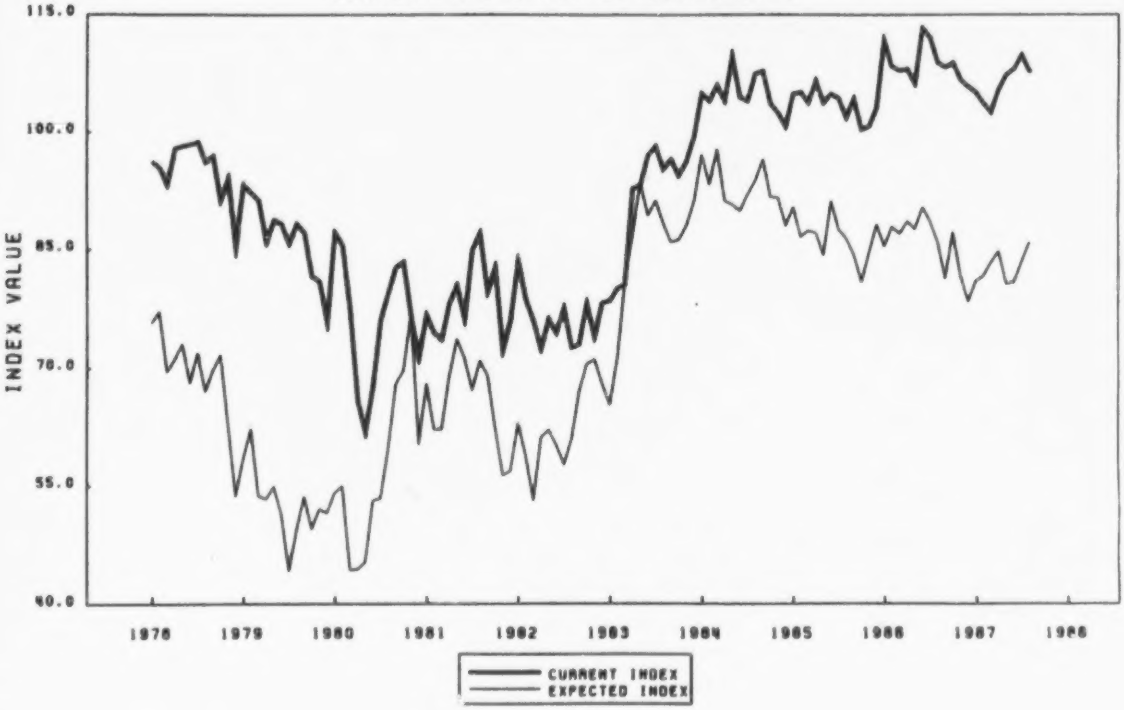


CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

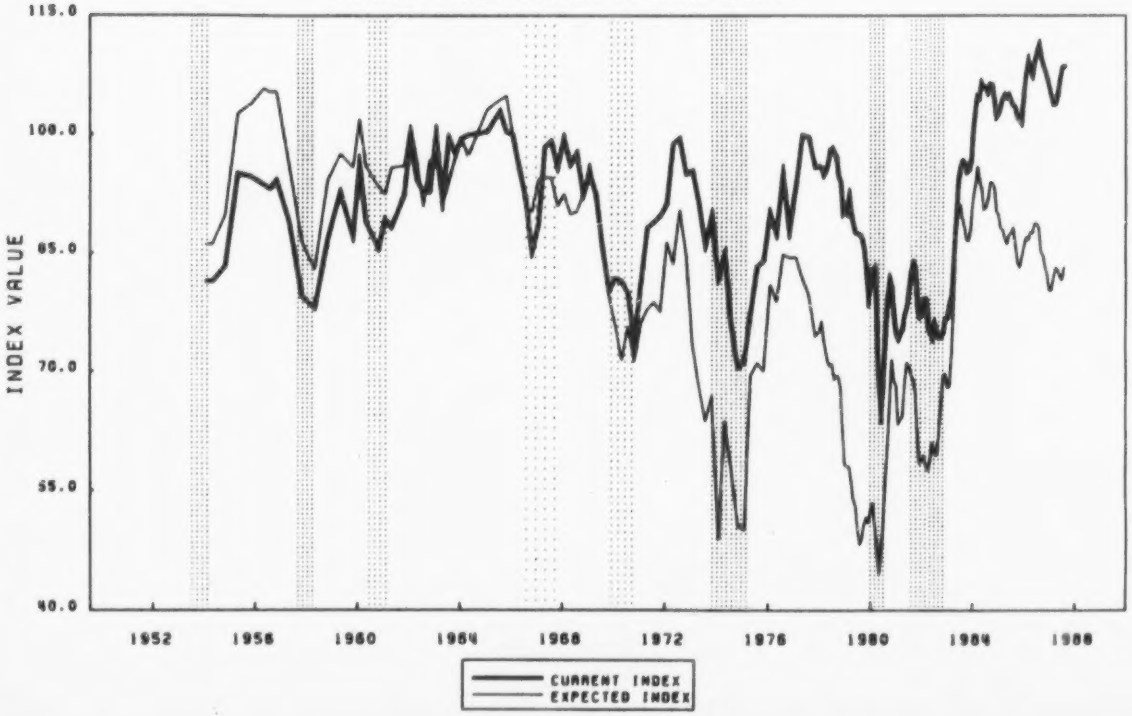


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
August 1984	125	129	137	111	153	107.5	93.7
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.

(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

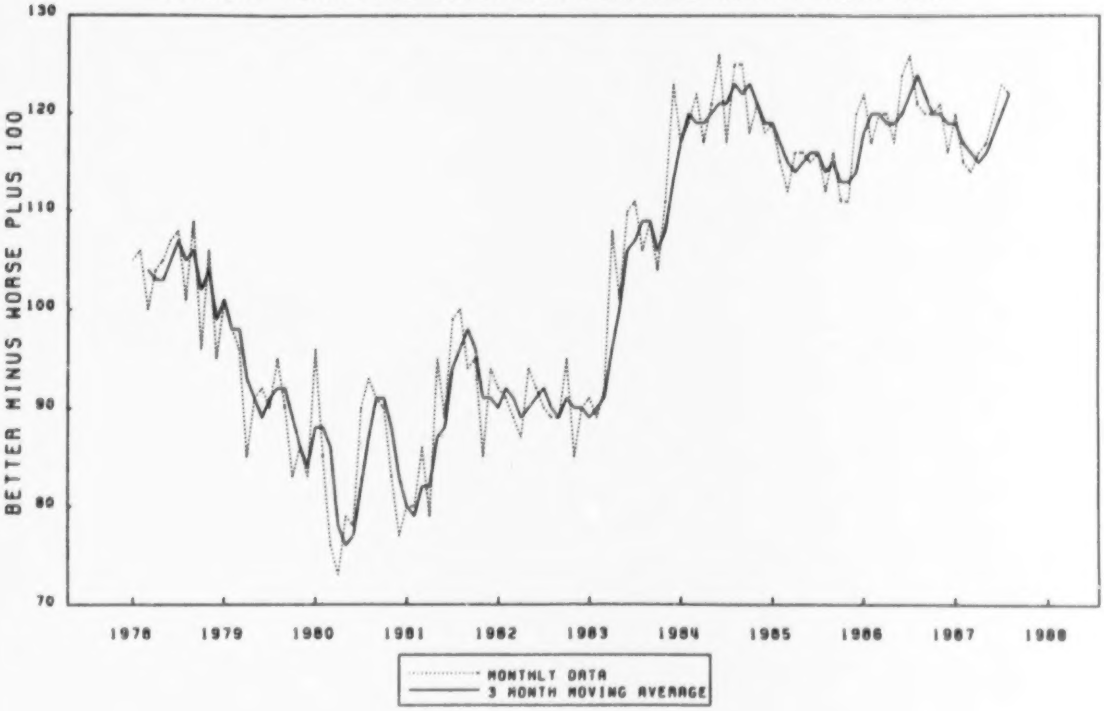


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

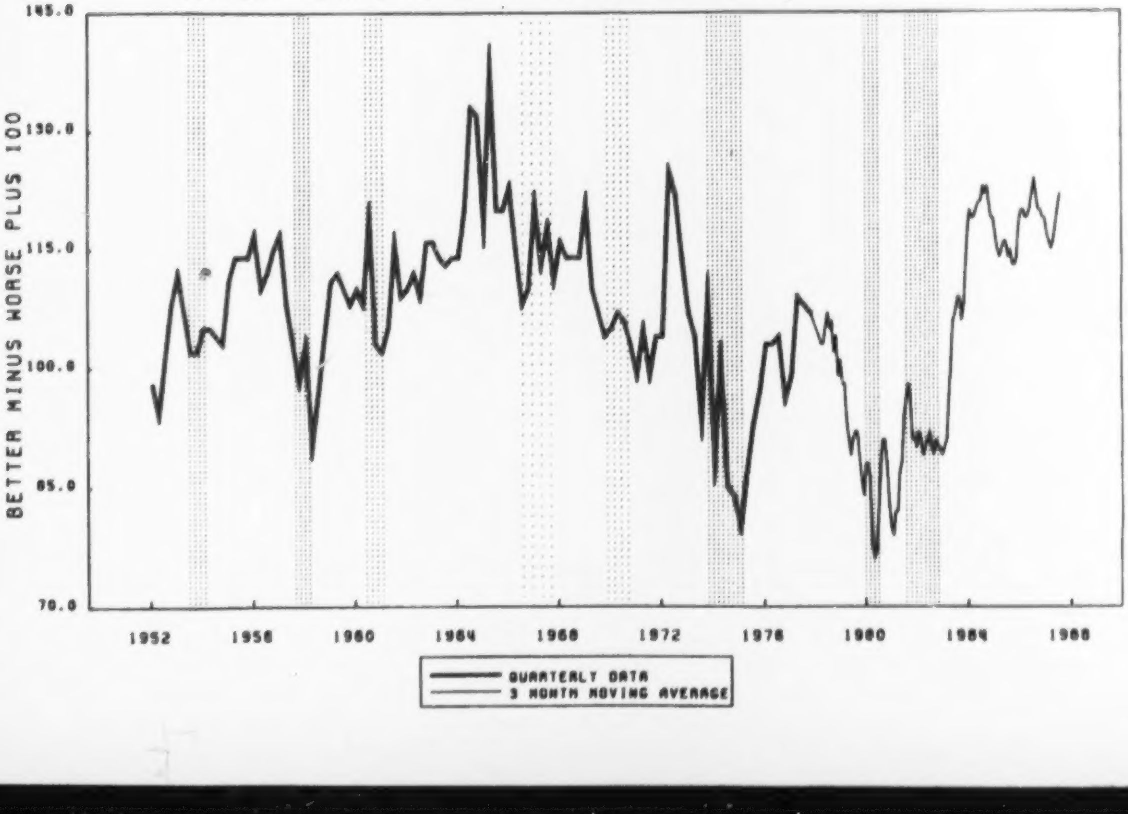


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
BETTER OFF	46%	45%	44%	43%	43%	45%	44%	41%	42%	43%	44%	45%	45%
SAME	28	30	32	35	30	29	27	32	32	31	32	32	32
WORSE OFF	25	25	24	22	27	25	29	27	26	26	24	22	23
DK,NA	1	*	*	*	*	1	*	*	*	*	*	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

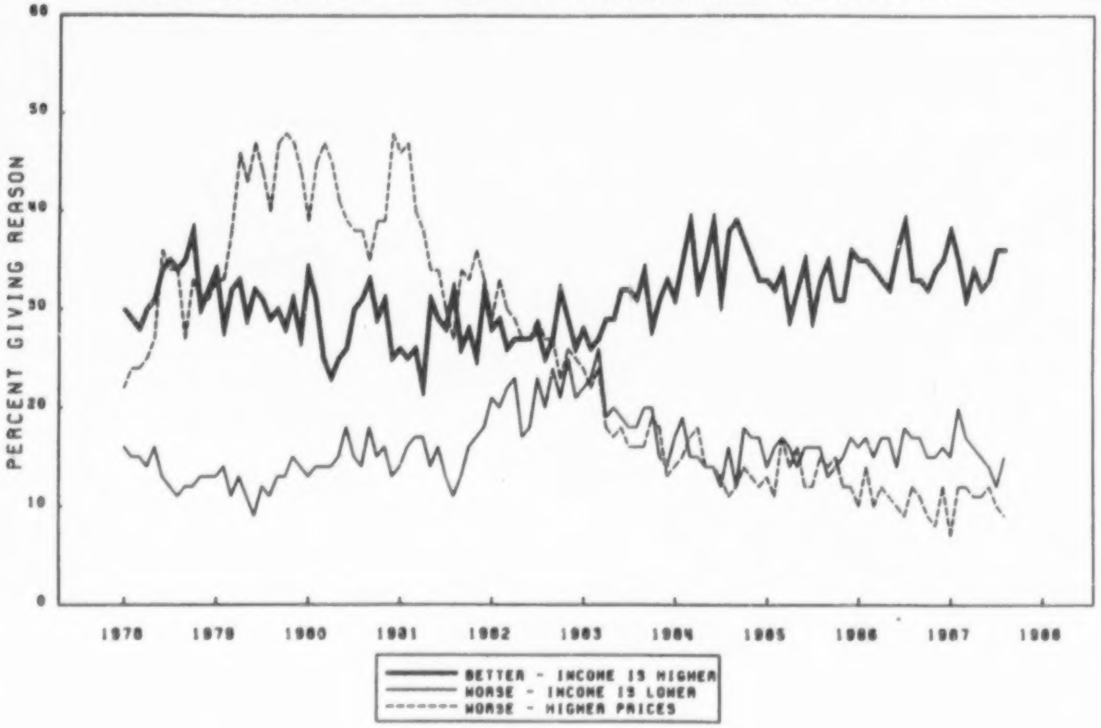


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

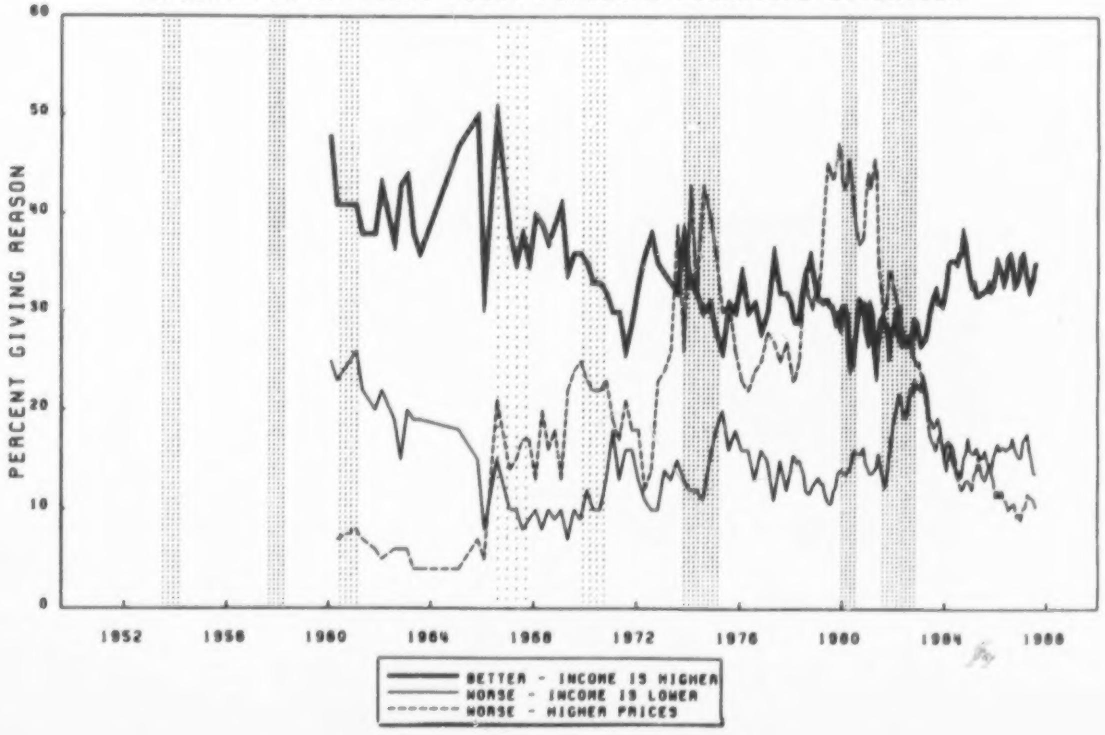


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	33%	32%	34%	35%	38%	35%	31%	34%	32%	33%	36%	36%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	17	15	15	16	15	20	17	16	15	14	12	15
Higher prices	12	11	9	8	12	7	12	12	11	11	12	10	9

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

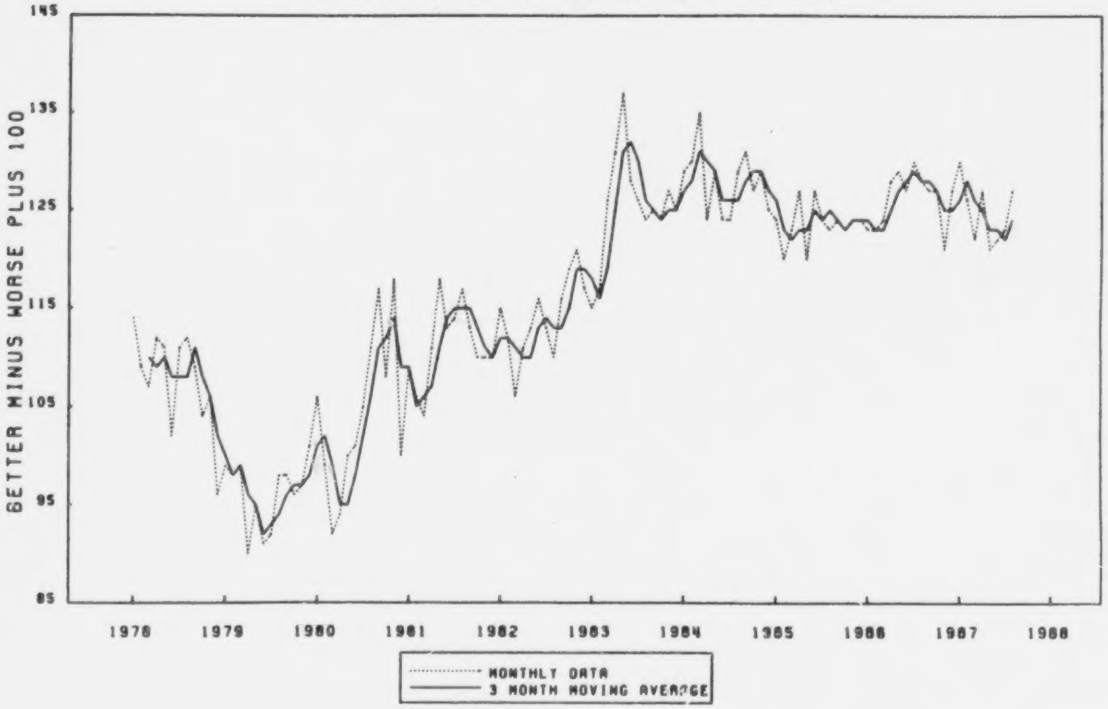


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

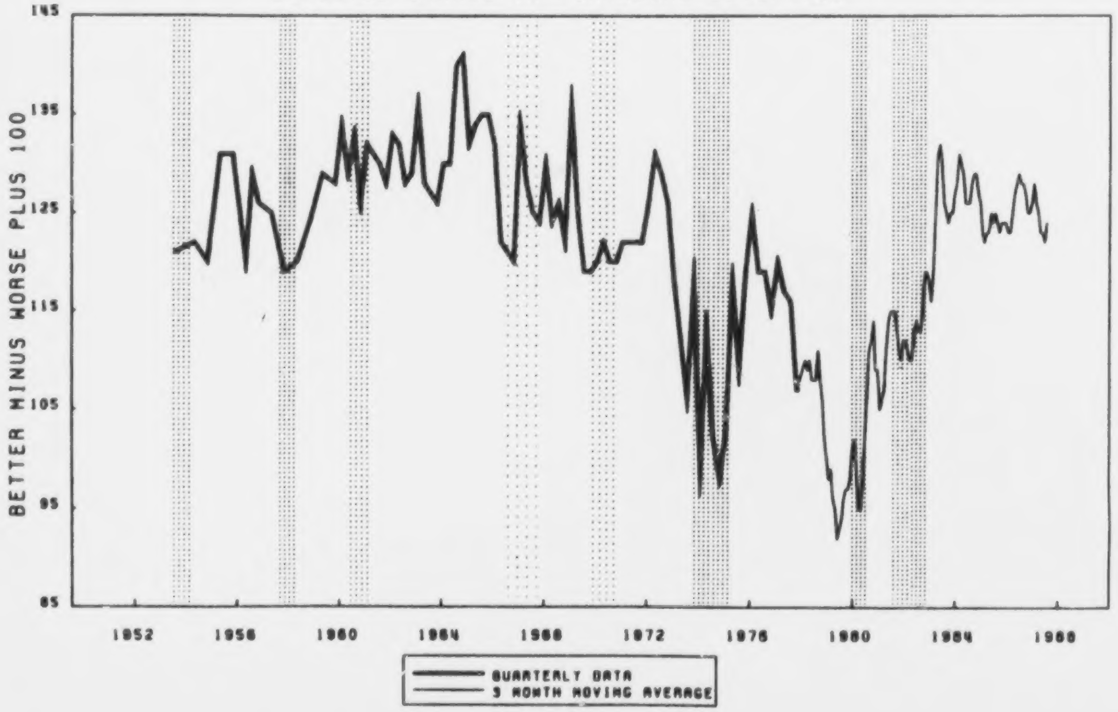


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
BETTER OFF	39%	38%	37%	33%	36%	39%	38%	33%	37%	32%	33%	34%	39%
SAME	48	47	51	52	52	48	48	53	49	54	53	52	46
WORSE OFF	11	11	10	12	9	9	12	11	10	11	11	11	12
DK,NA	2	4	2	3	3	4	2	3	4	3	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

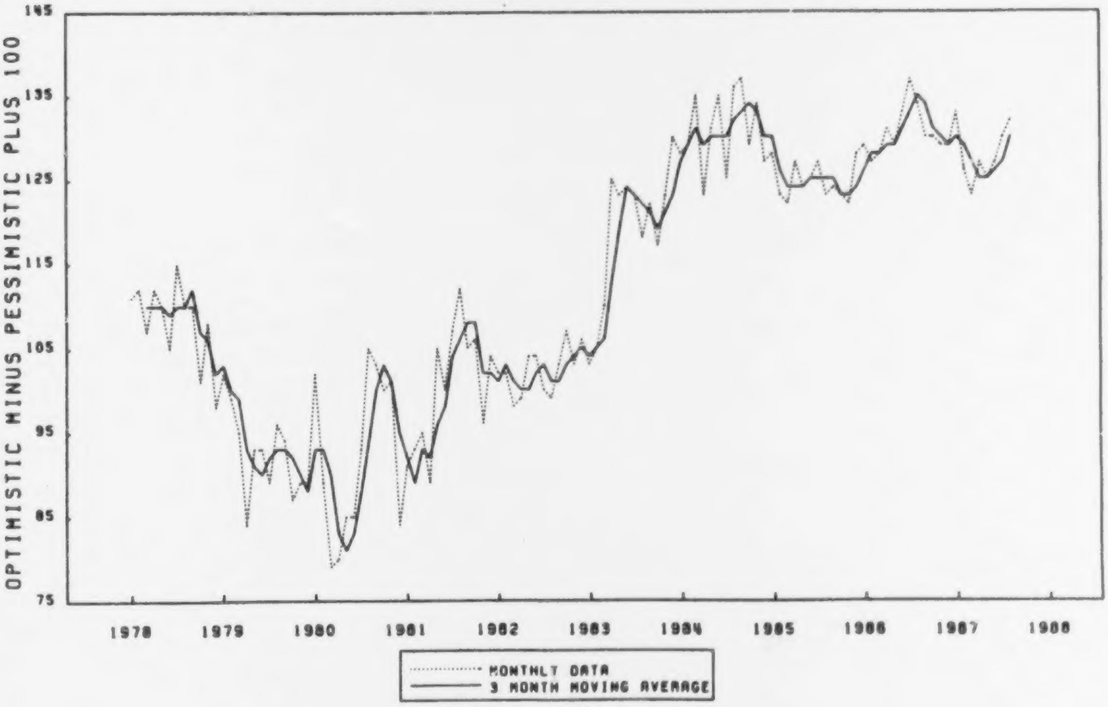


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

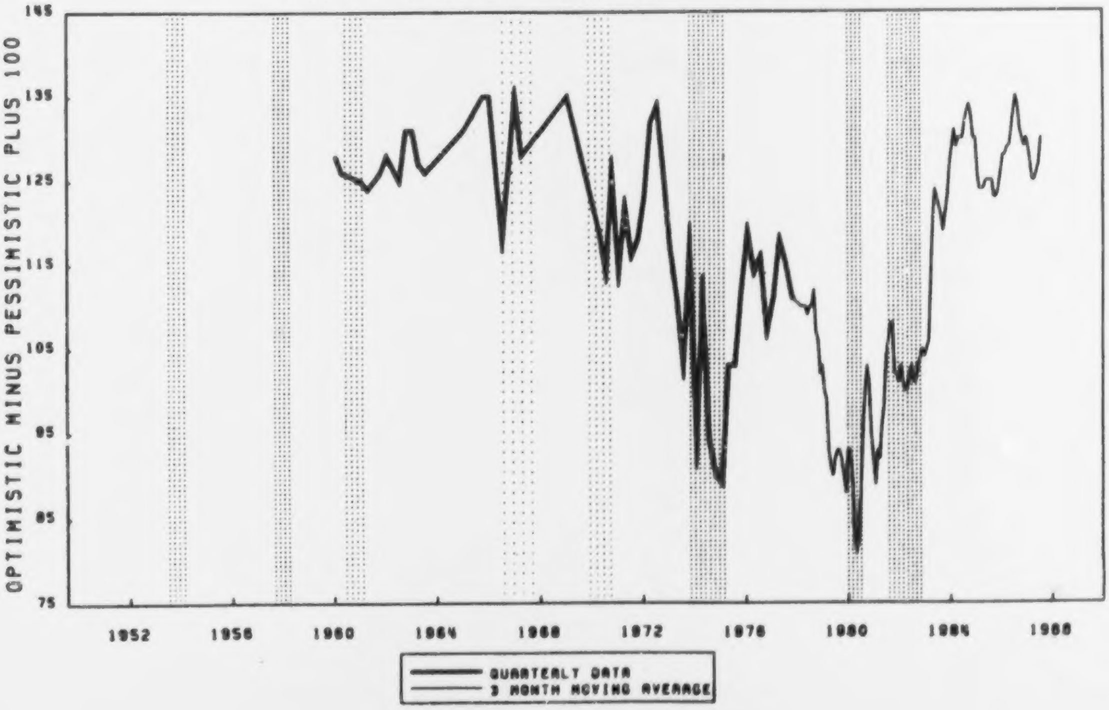


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	21%	22%	18%	18%	22%	22%	19%	19%	17%	18%	19%	23%
Intermittant increase (b)	32	29	27	29	29	28	27	25	28	28	31	29	29
Remain unchanged (c)	15	16	19	22	19	17	15	22	17	20	17	20	16
Intermittant decline (d)	13	15	16	13	14	14	17	16	17	16	17	14	16
Continuous decline (e)	6	5	3	5	4	3	6	5	3	4	5	4	4
Mixed change (f)	11	10	11	10	13	12	11	10	12	12	8	10	9
DK,NA	2	4	2	3	3	4	2	3	4	3	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

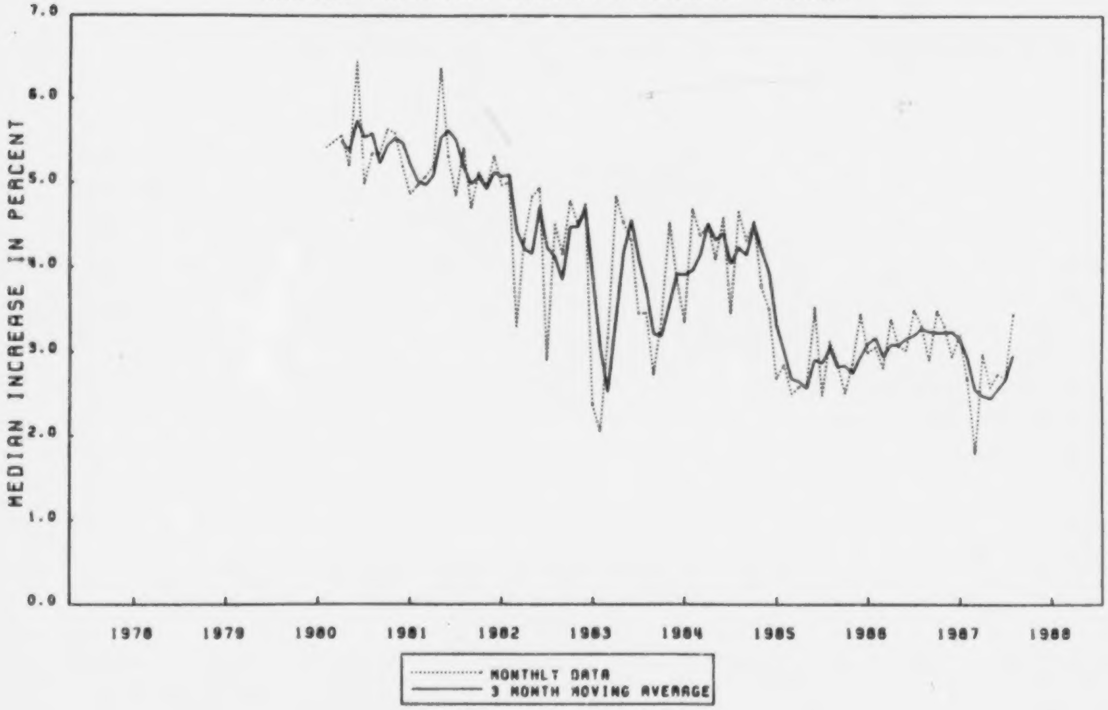


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

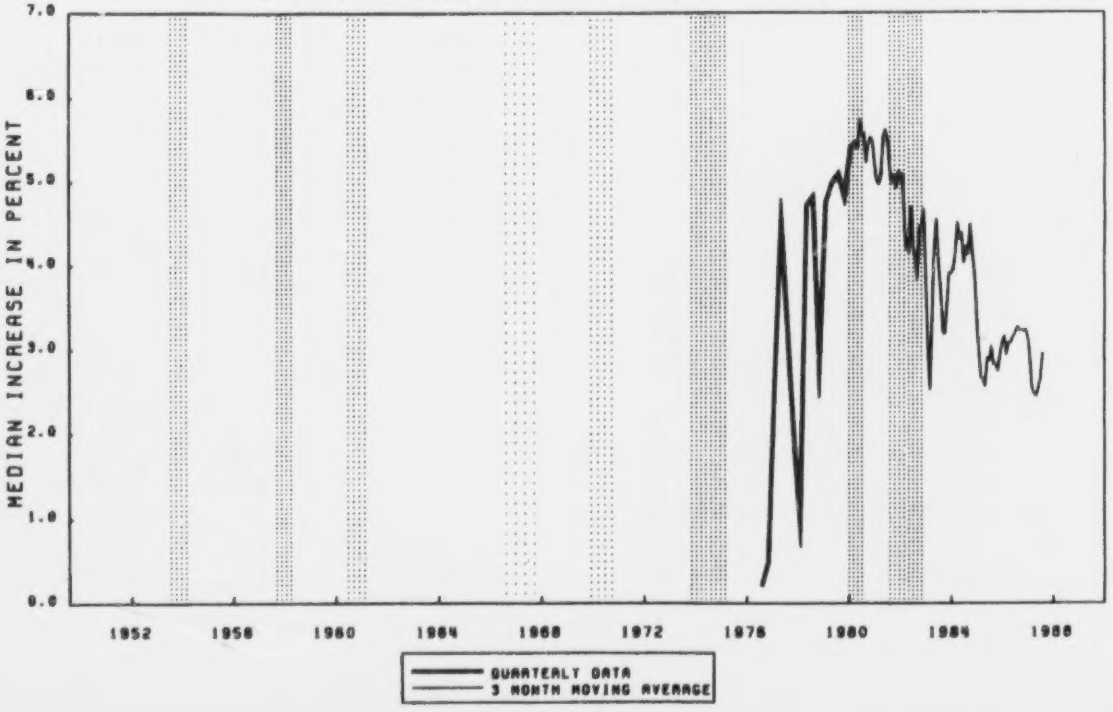


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
EXPECT INCREASE:													
1-4%	16%	16%	14%	17%	18%	16%	15%	17%	15%	18%	21%	18%	17%
5%	11	15	12	13	12	11	12	11	9	9	9	9	12
6-9%	7	7	6	9	8	8	5	7	8	8	10	7	6
10-24%	14	15	19	15	14	17	15	11	19	14	13	16	17
25% or more	9	4	7	6	6	6	6	5	5	6	5	6	8
DK how much up	5	3	3	4	4	4	6	6	4	3	4	4	4
EXPECT SAME	24	26	26	23	26	25	27	28	27	26	26	27	23
EXPECT DOWN	13	13	12	12	12	12	14	15	13	15	12	13	11
DK,NA	1	1	1	1	*	1	*	*	*	1	*	*	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

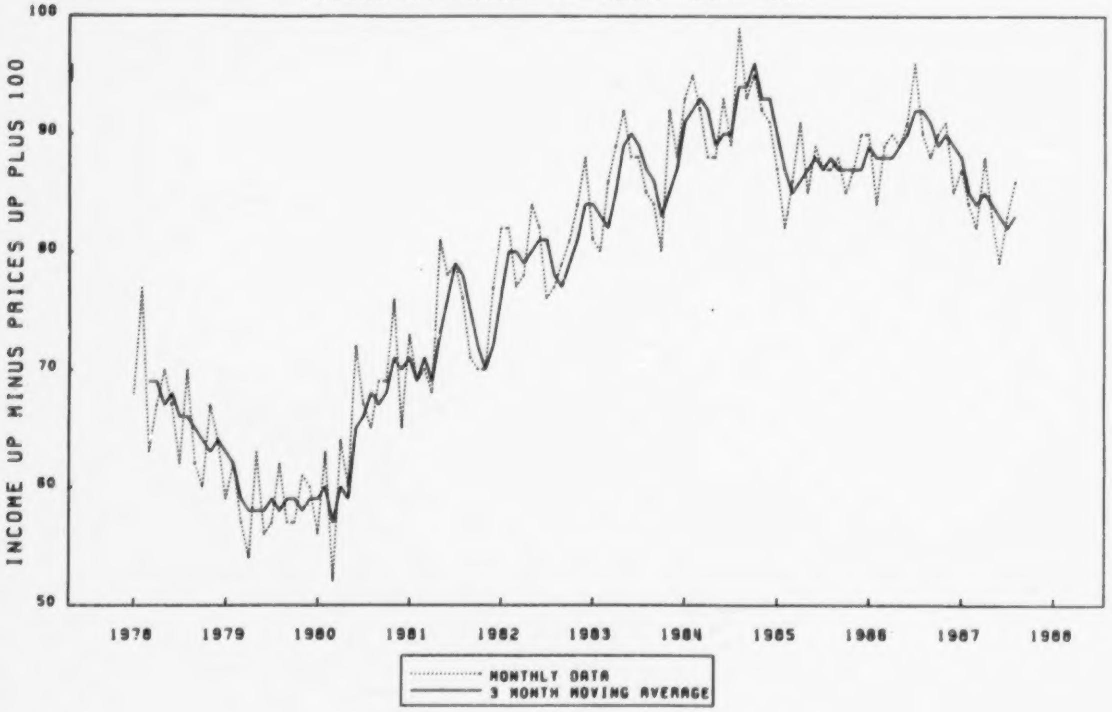


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

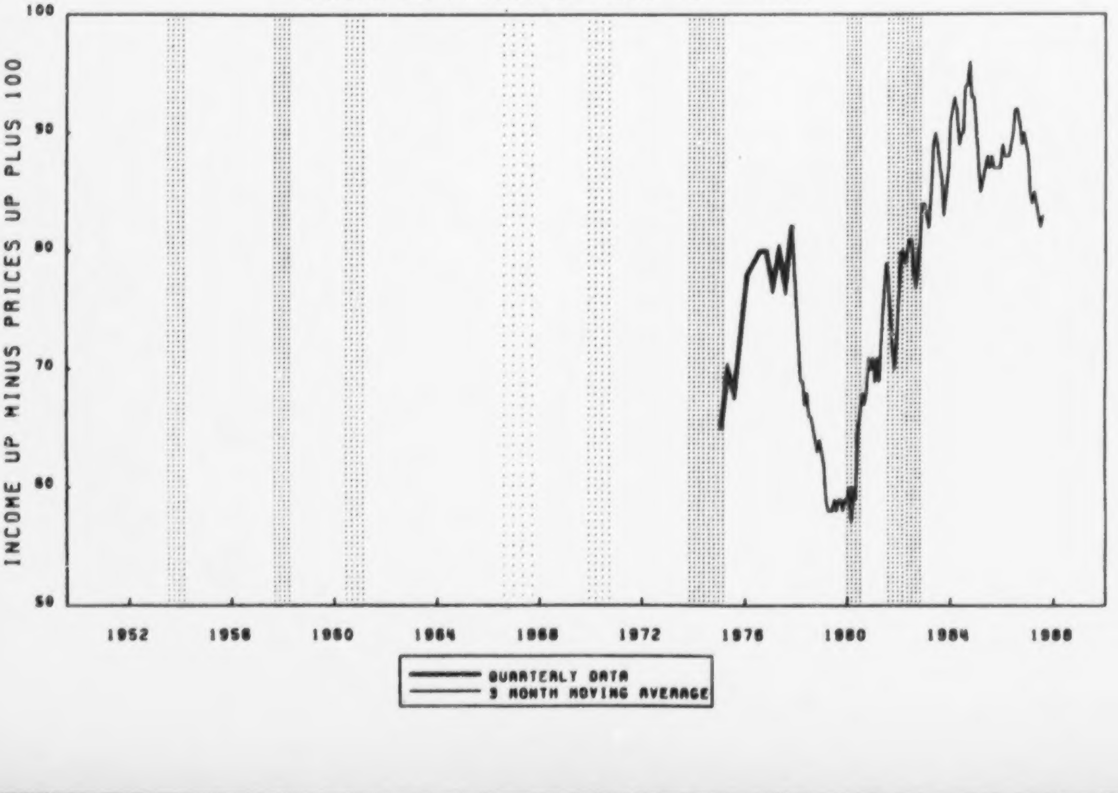


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
INCOME UP MORE	22%	20%	22%	21%	19%	22%	20%	18%	21%	17%	17%	17%	21%
INCOME UP SAME	44	47	45	47	45	41	42	44	44	48	44	47	42
PRICES UP MORE	32	32	32	30	34	35	36	36	33	34	38	34	35
DK,NA	2	1	1	2	2	2	2	2	2	1	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

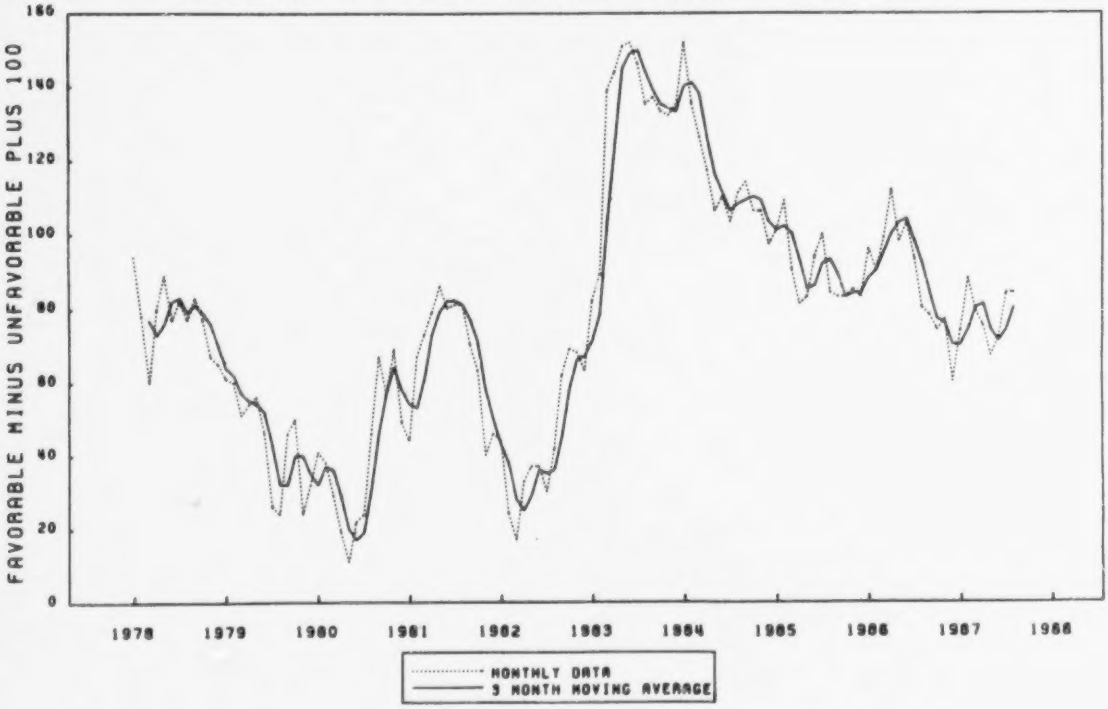


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

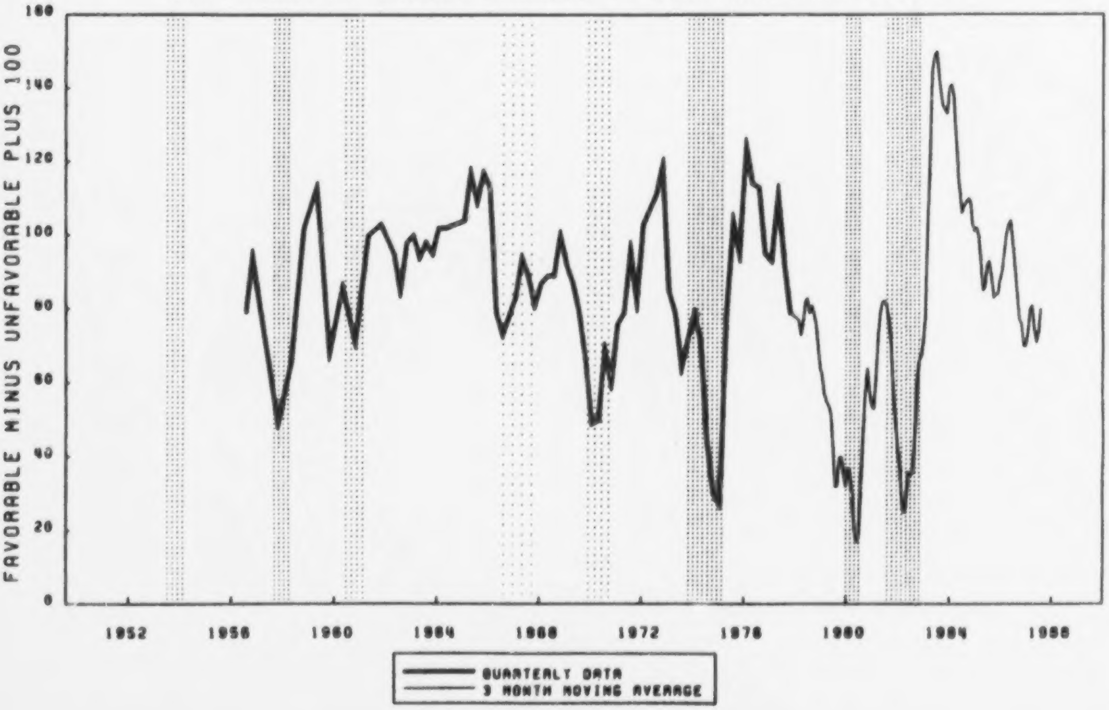


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
FAVORABLE NEWS	33%	29%	26%	30%	22%	26%	36%	27%	27%	26%	29%	29%	32%
UNFAVORABLE NEWS	53	51	52	53	62	52	48	48	52	59	57	45	48
NO MENTIONS	44	49	48	47	44	44	45	49	46	44	42	50	47

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

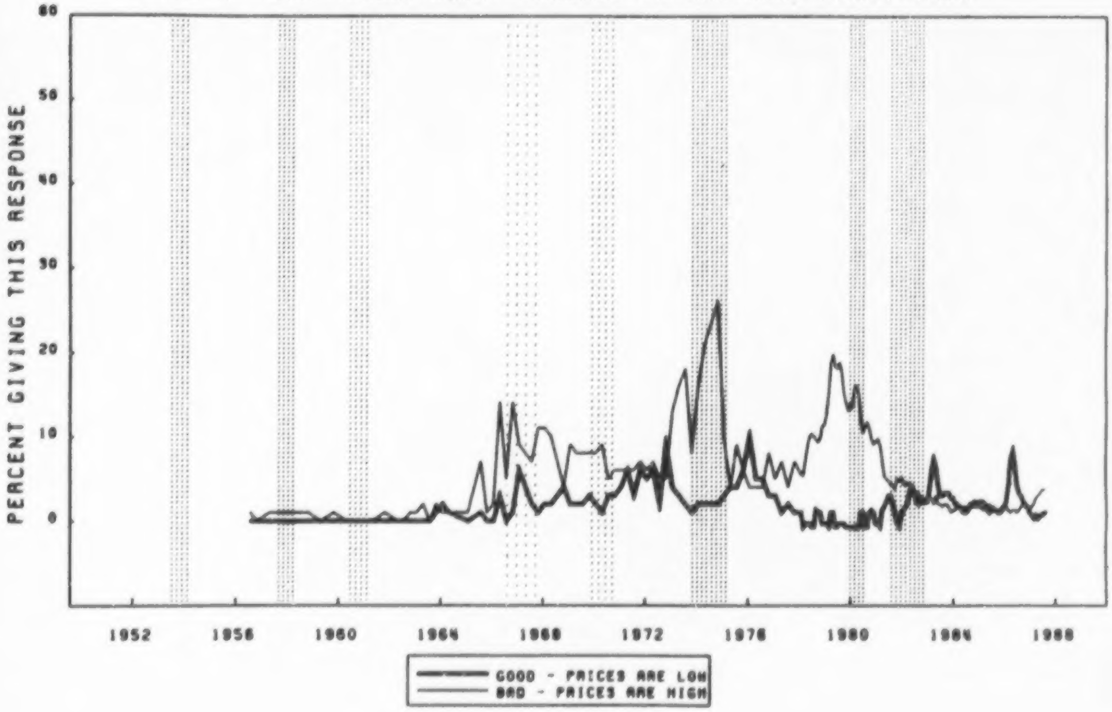


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

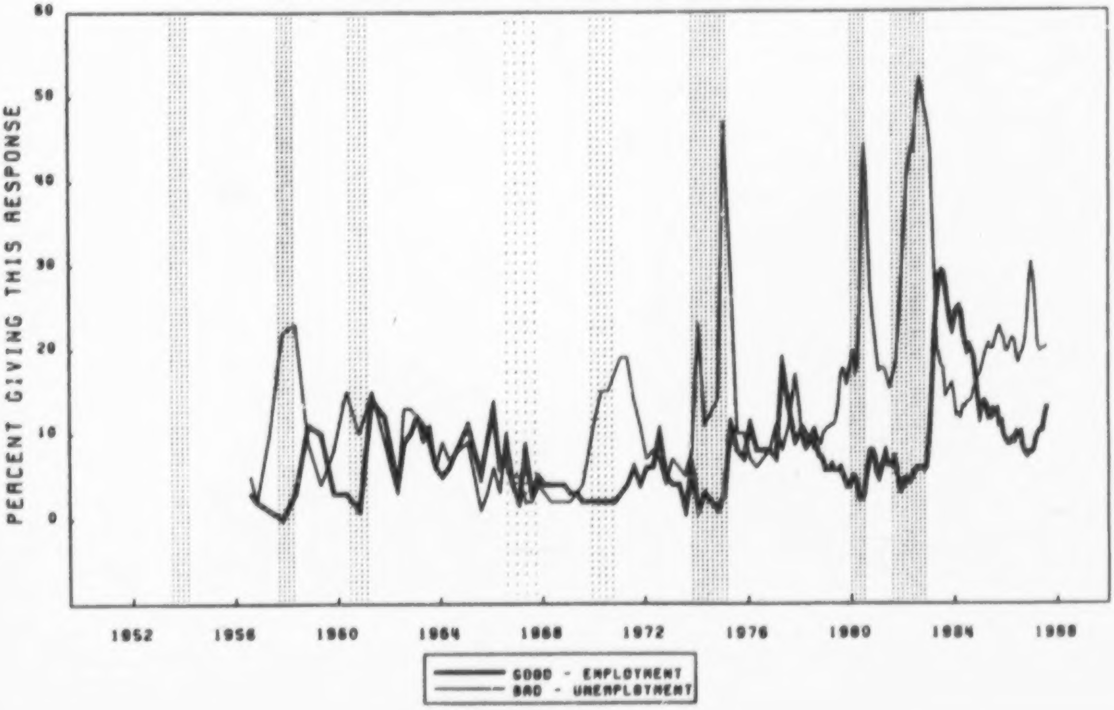


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
FAVORABLE NEWS:													
Government; elections	2%	2%	1%	3%	1%	2%	2%	2%	3%	1%	2%	2%	3%
Employment	10	6	7	9	7	7	10	11	9	11	11	13	15
Higher consumer demand	3	2	3	2	2	3	3	1	1	1	2	*	1
Lower prices	3	2	2	2	1	*	1	*	1	*	1	1	1
Easier credit	7	11	8	5	5	5	6	4	2	3	3	2	1
UNFAVORABLE NEWS:													
Government; elections	5	6	8	6	8	9	5	7	7	7	7	5	5
Unemployment	21	19	23	29	33	29	23	20	18	21	21	18	22
Lower consumer demand	2	1	2	2	4	2	3	2	2	2	3	3	2
Higher prices	3	2	2	1	2	1	2	3	3	3	4	4	3
Tighter credit	1	1	*	1	1	1	1	1	4	6	7	4	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

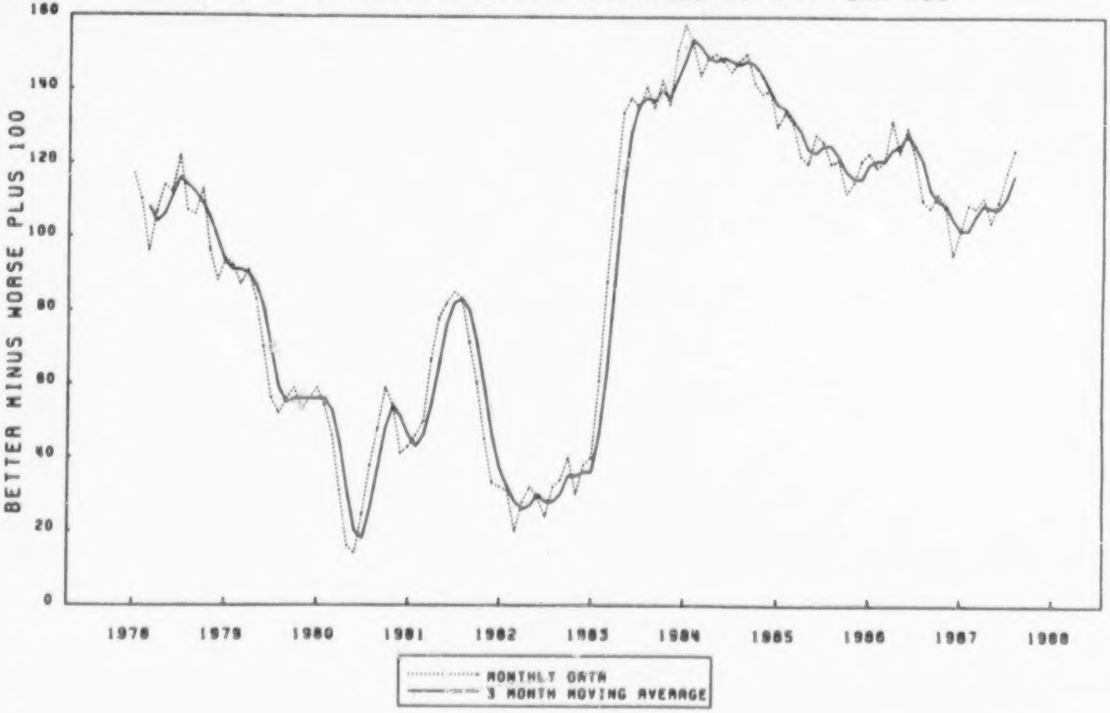


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

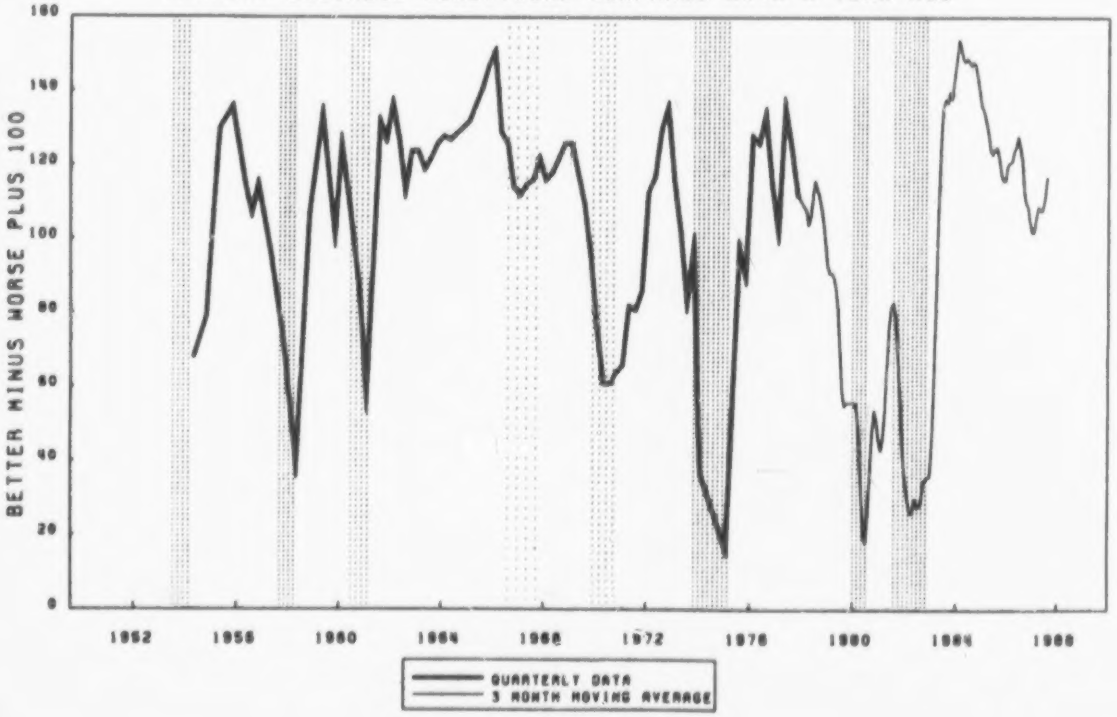


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
BETTER NOW	47%	47%	47%	45%	40%	43%	47%	45%	46%	43%	46%	50%	54%
SAME	14	13	15	16	13	14	14	17	17	16	16	16	14
WORSE NOW	37	39	35	37	45	41	38	37	35	39	36	32	30
DK,NA	2	1	3	2	2	2	1	1	2	2	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

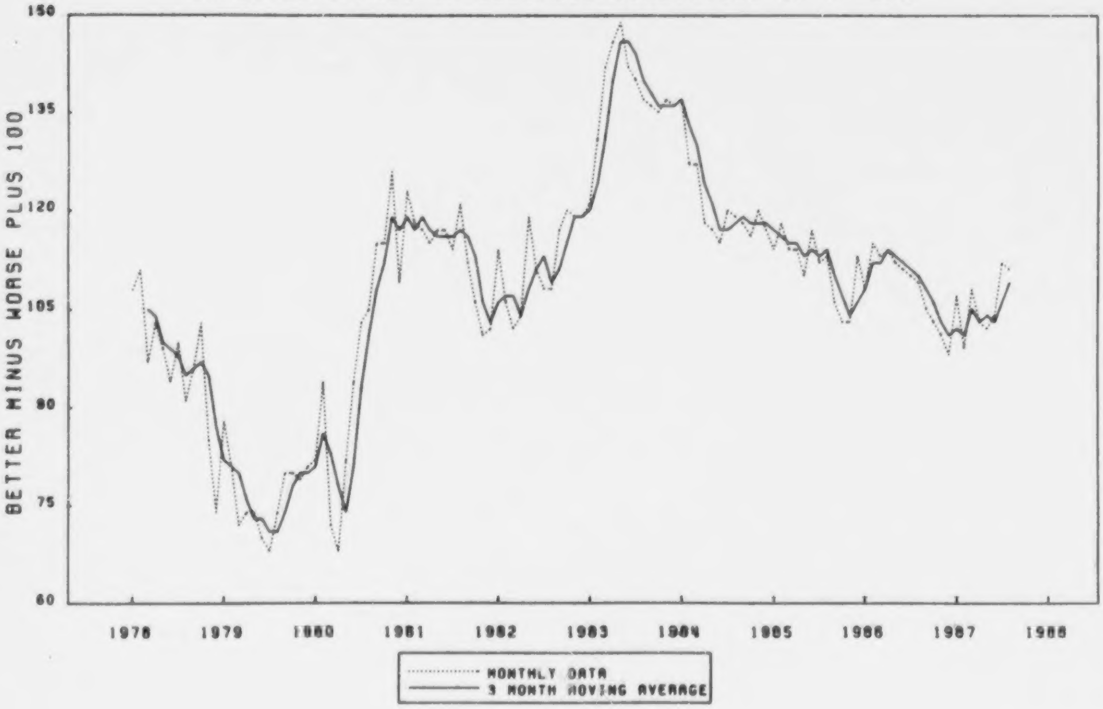


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

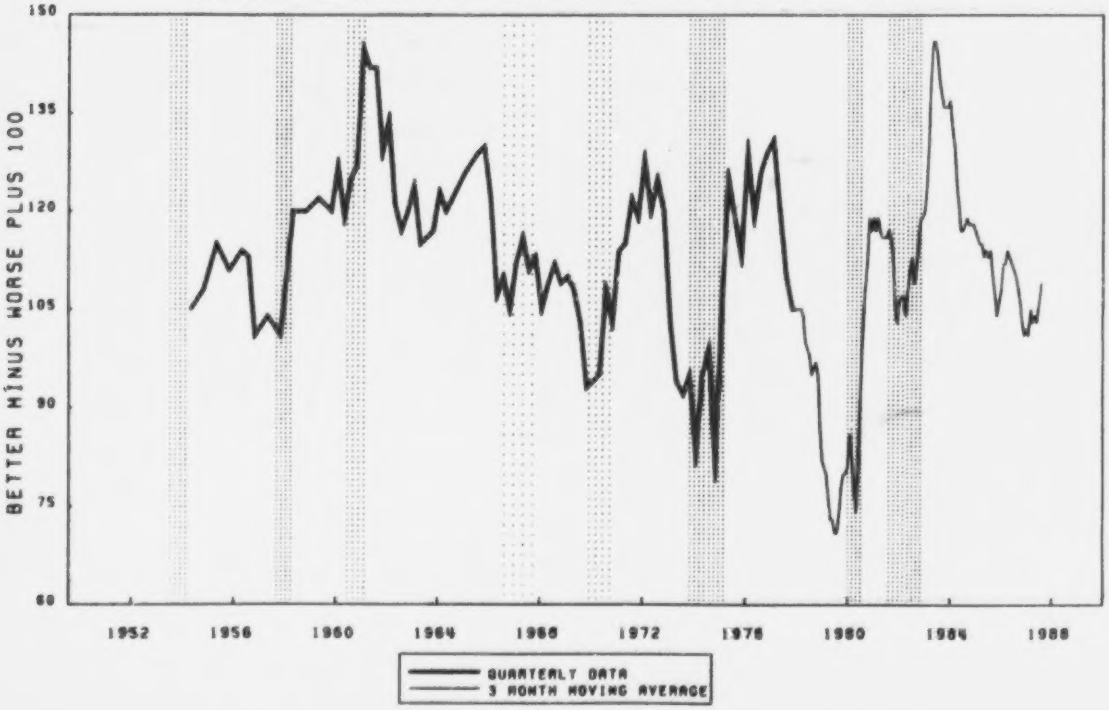


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
BETTER	26%	23%	21%	20%	20%	24%	22%	22%	21%	22%	23%	26%	25%
SAME	56	55	59	59	56	58	54	61	60	57	57	56	57
WORSE	17	18	18	19	22	17	23	14	18	20	19	14	14
DK,NA	1	4	2	2	2	1	1	3	1	1	1	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

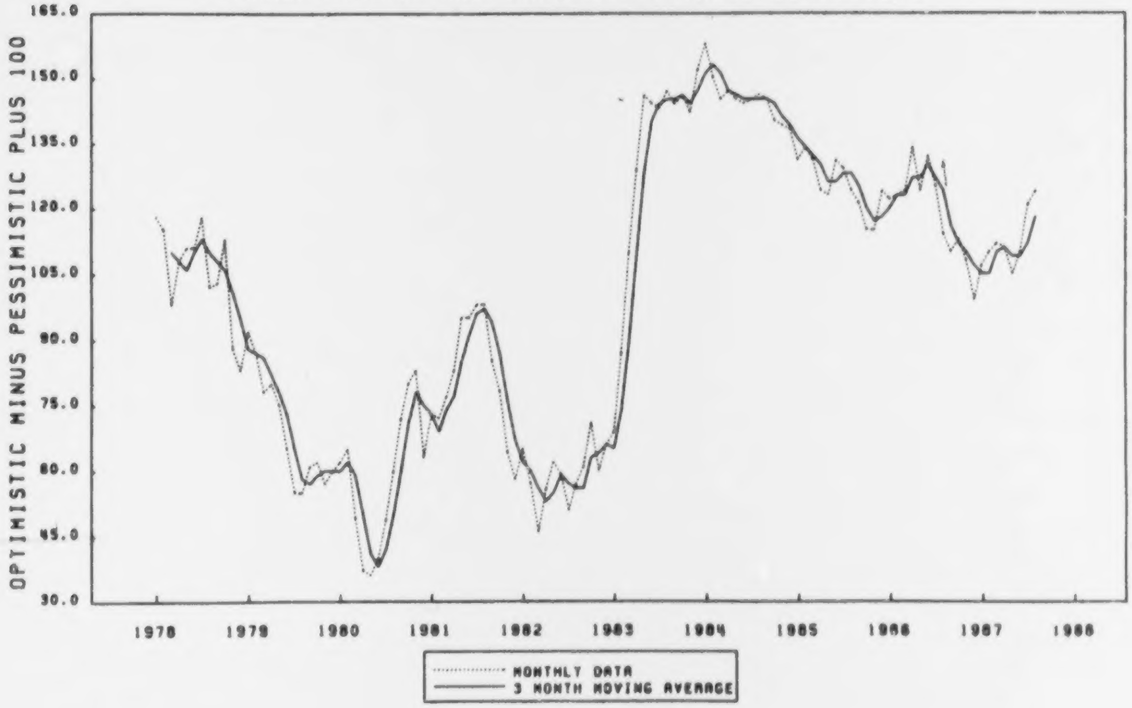


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

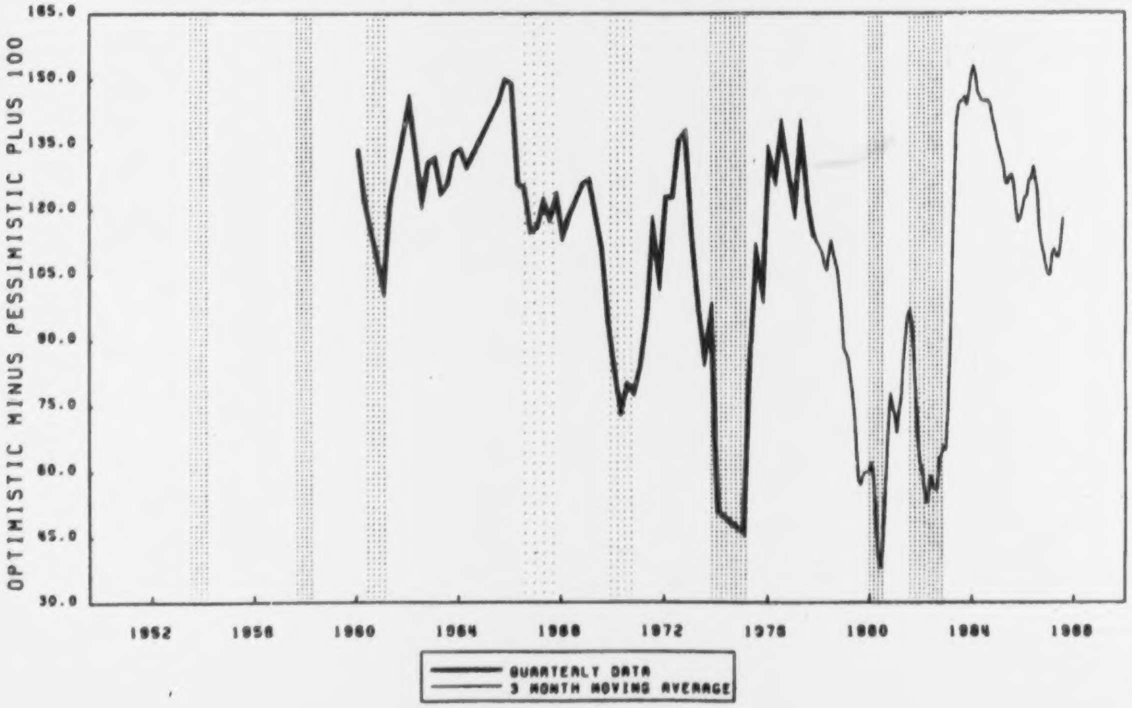


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
TREND:													
Continuous increase (a)	17%	15%	13%	12%	12%	15%	14%	13%	13%	12%	14%	17%	19%
Intermittant increase (b)	29	29	31	30	27	27	32	32	30	28	28	33	33
Remain unchanged (c)	10	8	10	10	10	10	7	11	11	10	11	9	9
Intermittant decline (d)	20	22	21	23	23	24	21	23	22	24	21	19	20
Continuous decline (e)	12	12	10	11	17	11	15	10	10	11	11	10	8
Mixed change (f)	9	10	11	11	7	10	9	7	10	12	12	7	6
DK,NA	3	4	4	3	4	3	2	4	4	3	3	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

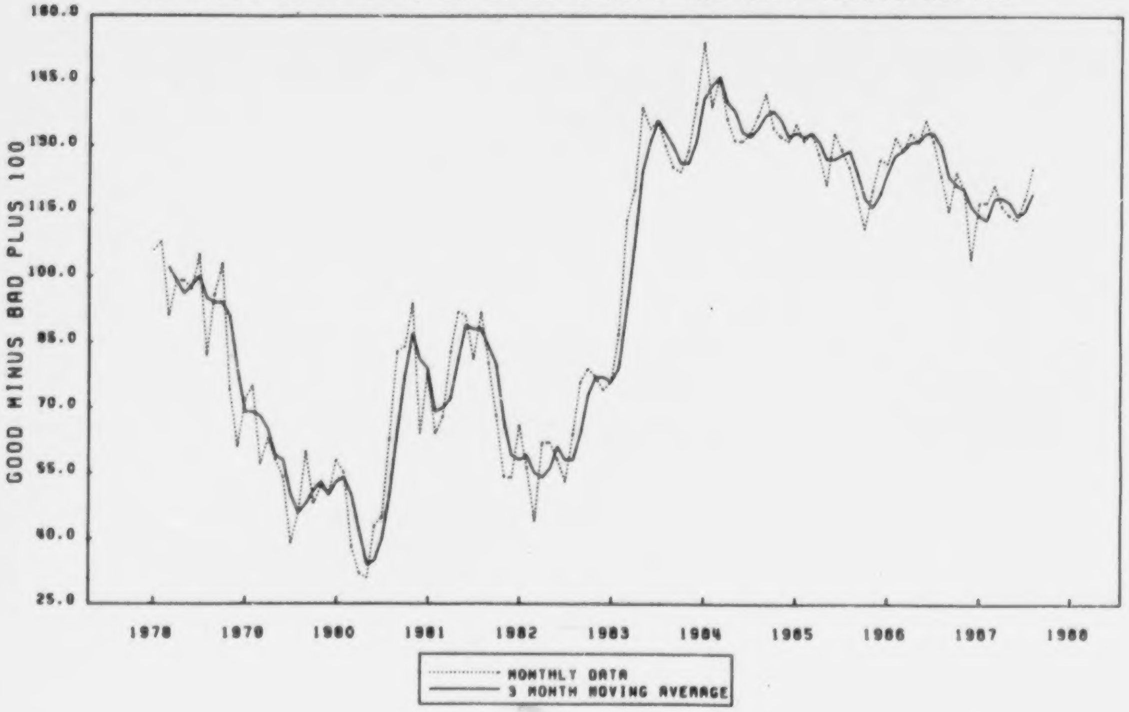


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

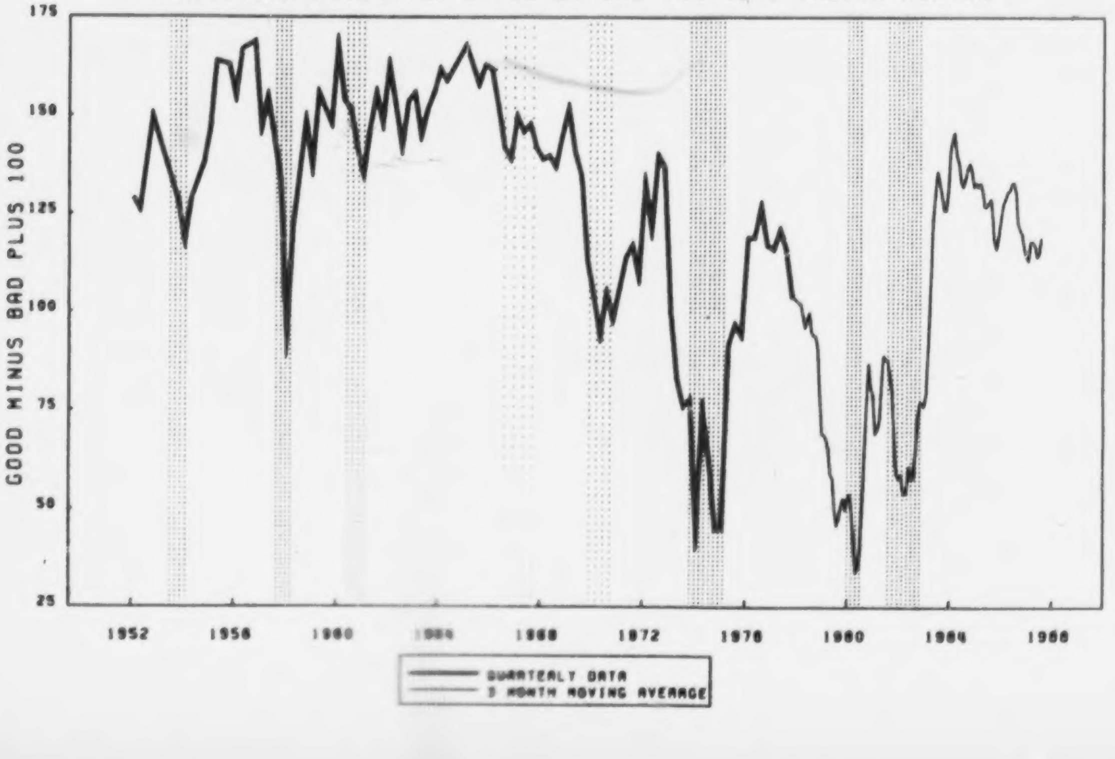


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIMES	55%	50%	55%	53%	45%	53%	53%	55%	51%	51%	50%	51%	55%
UNCERTAIN; GOOD & BAD	4	3	3	3	2	3	1	2	2	1	2	2	3
BAD TIMES	32	35	31	33	41	36	36	34	35	37	37	33	30
DON'T KNOW	5	8	4	5	5	4	5	5	8	5	5	7	7
NOT ASCERTAINED	4	4	7	6	7	4	5	4	4	6	6	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

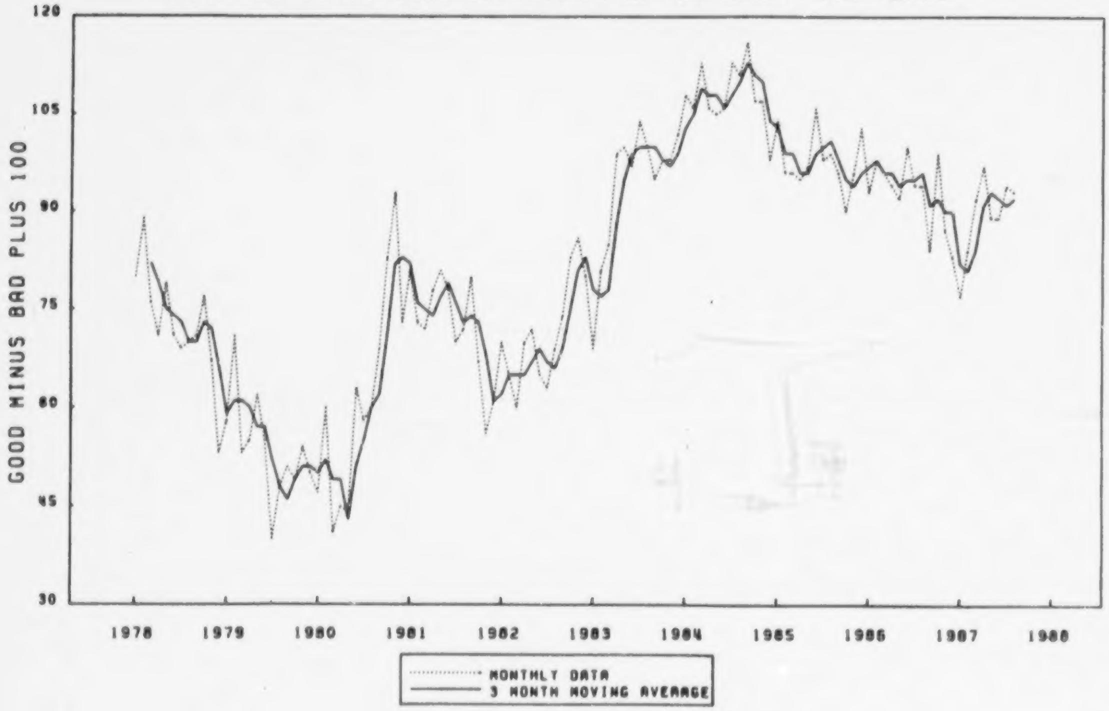


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

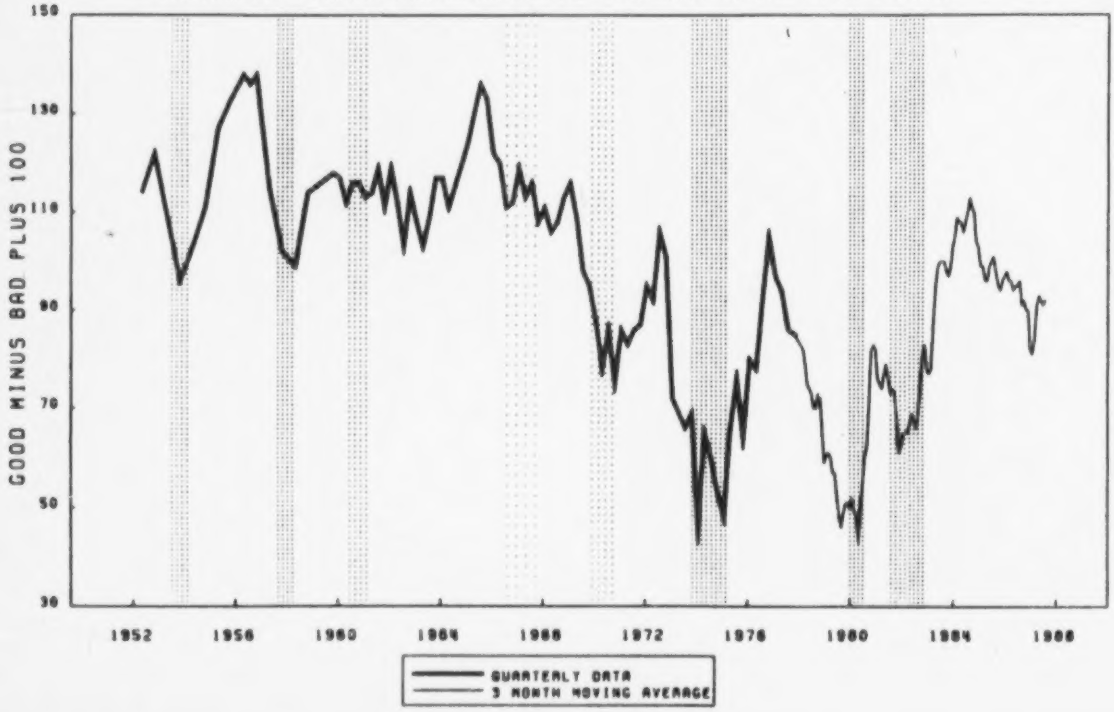


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIMES	39%	33%	41%	35%	33%	30%	34%	39%	41%	36%	37%	36%	36%
UNCERTAIN; GOOD & BAD	10	11	13	14	13	13	12	10	9	13	9	15	16
BAD TIMES	45	49	42	48	50	53	50	47	44	47	48	42	43
NOT ASCERTAINED	6	7	4	3	4	4	4	4	6	4	6	7	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

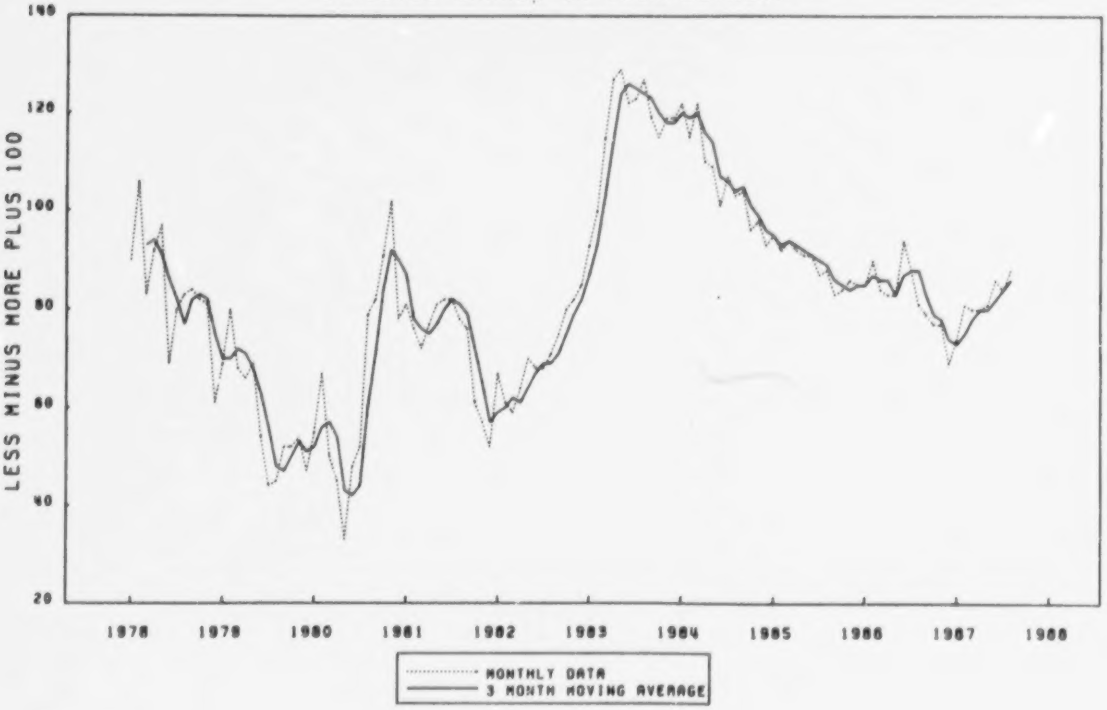


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

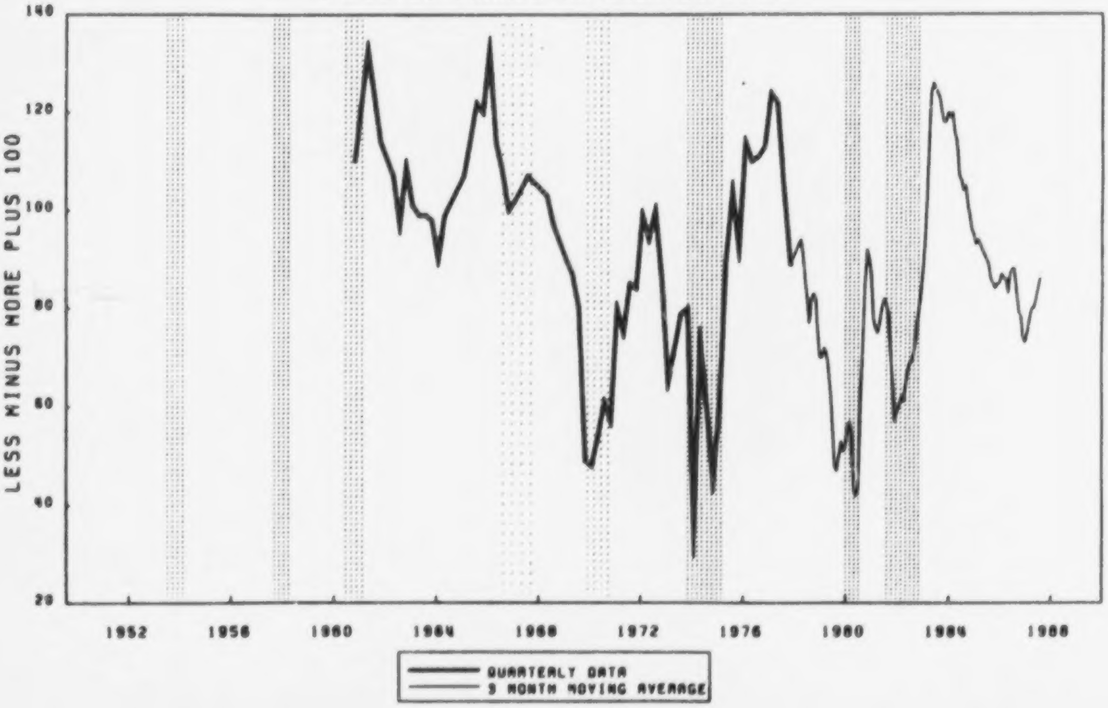


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
LESS	13%	11%	10%	11%	11%	12%	14%	15%	13%	13%	16%	14%	15%
SAME	54	54	55	54	46	49	52	48	52	53	52	55	56
MORE	32	32	33	34	42	38	33	35	33	32	30	30	27
DK,NA	1	3	2	1	1	1	1	2	2	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

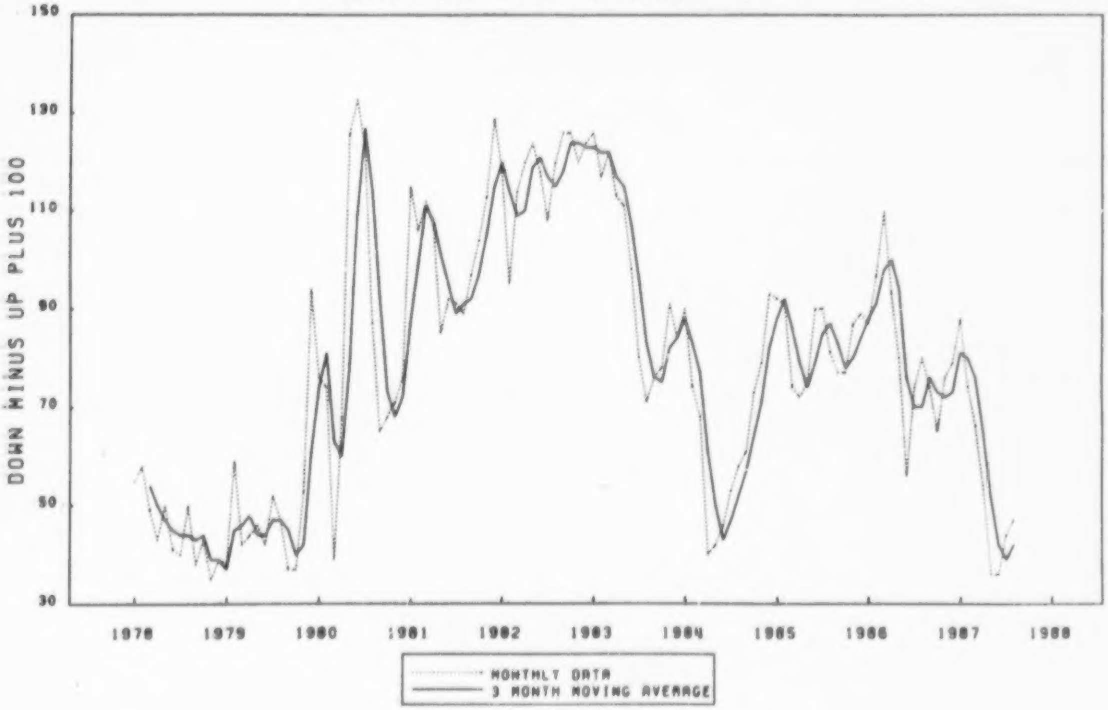


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

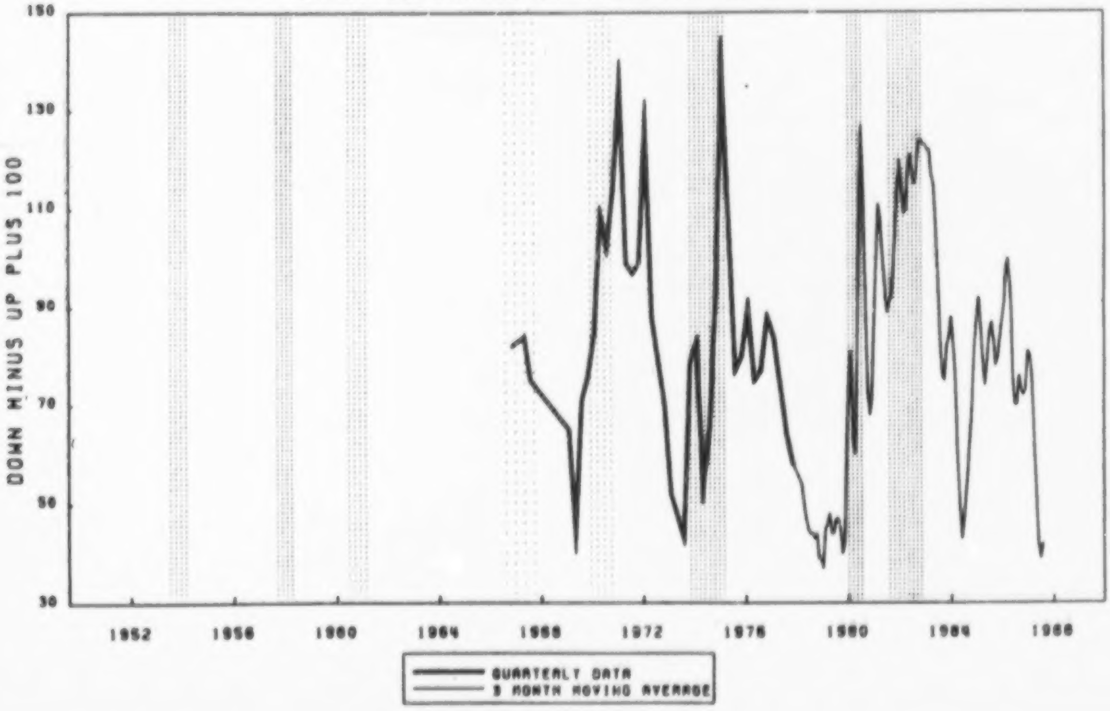


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GO UP	42%	49%	50%	43%	41%	37%	43%	49%	57%	71%	69%	64%	62%
STAY THE SAME	34	26	33	37	37	35	38	33	29	21	24	26	27
GO DOWN	22	23	15	19	20	25	17	15	11	7	5	8	9
DK,NA	2	2	2	1	2	3	2	3	3	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

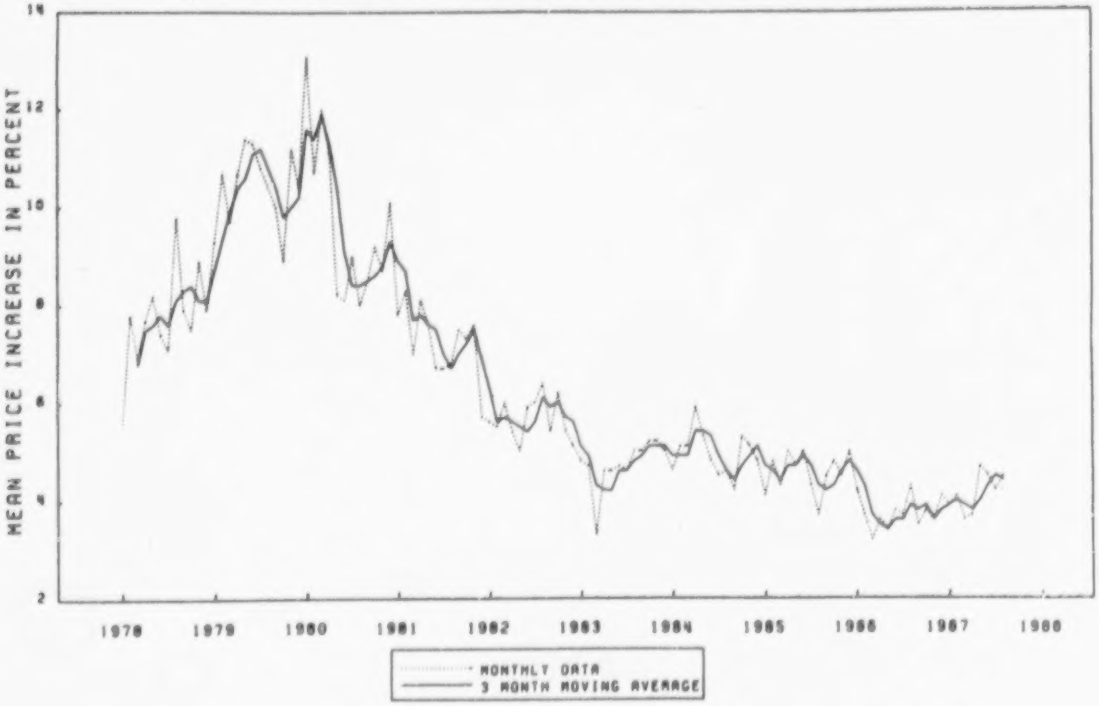


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

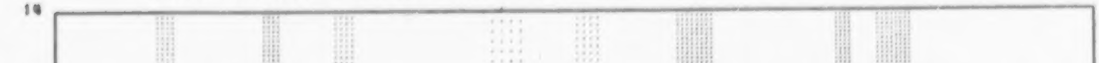


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
SAME OR DOWN	21%	23%	22%	22%	20%	20%	21%	21%	19%	15%	14%	17%	13%
WILL GO UP BY:													
1-2%	18	18	17	19	18	18	17	19	19	18	18	20	20
3-4%	24	23	19	25	23	24	21	21	23	23	25	23	25
5%	14	16	21	15	17	14	18	18	16	18	17	16	17
6-9%	7	5	5	6	7	6	5	6	8	10	7	7	8
10-14%	8	5	8	7	6	7	9	5	7	7	8	9	6
15% or more	4	3	2	2	4	4	4	3	2	4	4	3	4
DK how much up	4	6	5	3	4	6	5	6	6	4	6	4	6
DK,NA	*	1	1	1	1	1	*	1	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.3	3.5	3.8	3.6	4.1	3.9	4.1	3.6	3.7	4.7	4.5	4.2	4.5
VARIANCE	38	18	17	28	32	25	26	18	21	36	27	28	32
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

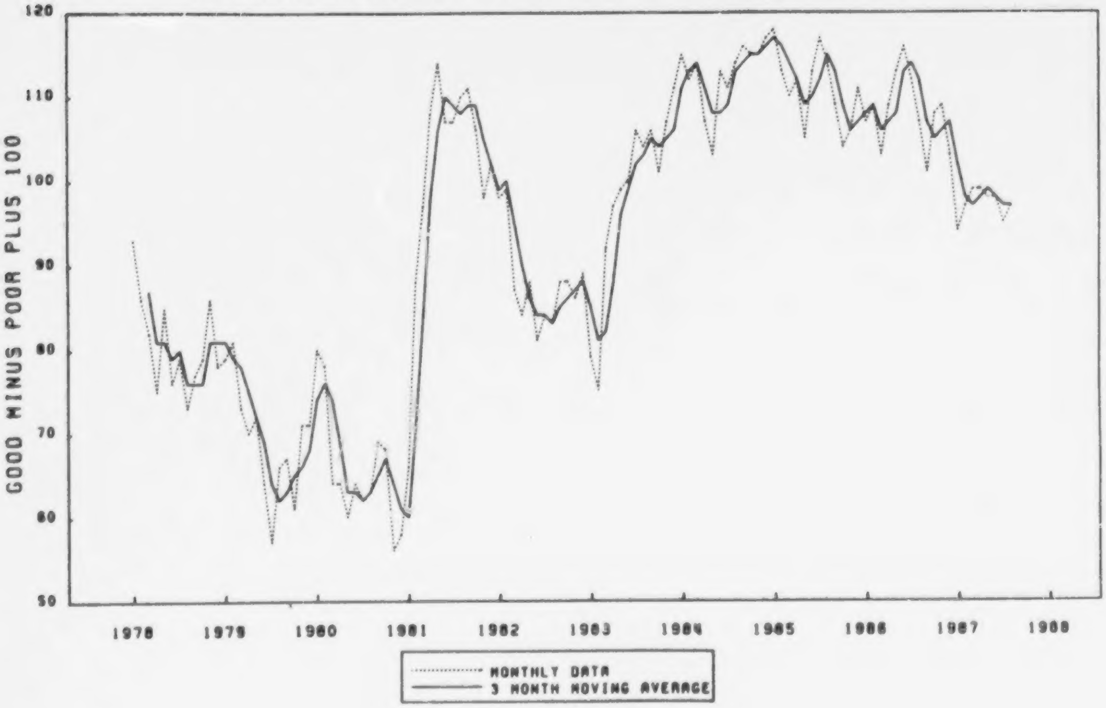


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

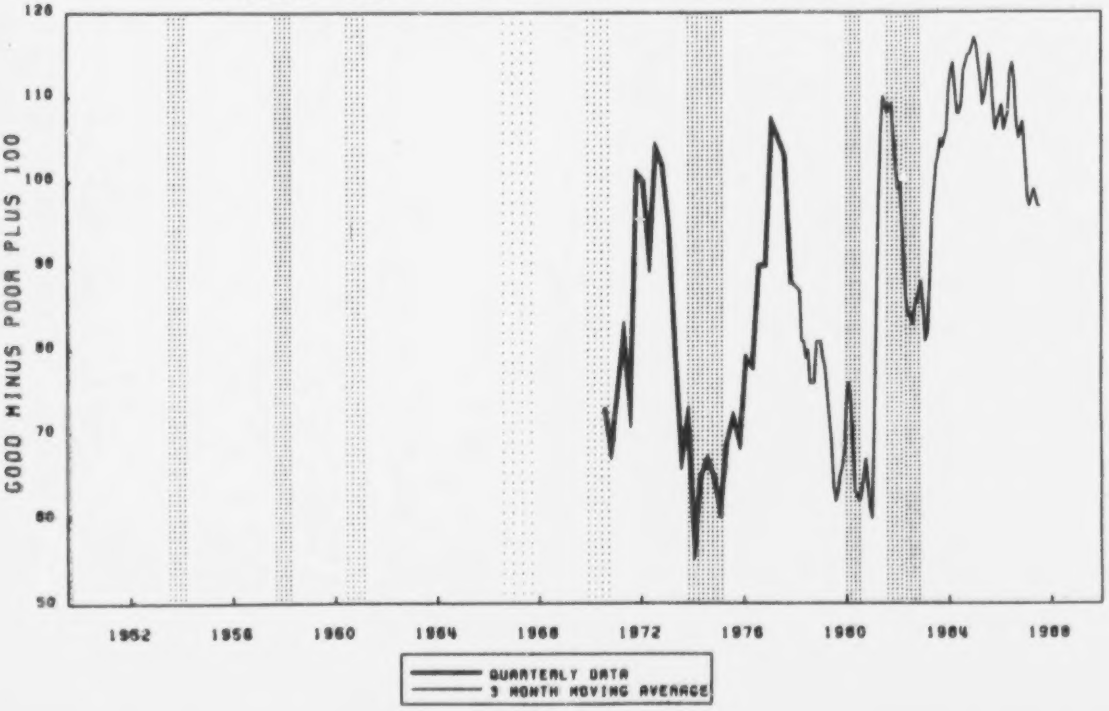


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
A GOOD JOB	28%	22%	27%	28%	26%	20%	23%	23%	21%	21%	23%	21%	23%
ONLY FAIR	50	54	52	51	49	52	49	52	55	55	49	52	48
A POOR JOB	21	21	19	19	23	26	26	24	22	23	25	26	26
DK,NA	1	3	2	2	2	2	2	1	2	1	3	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

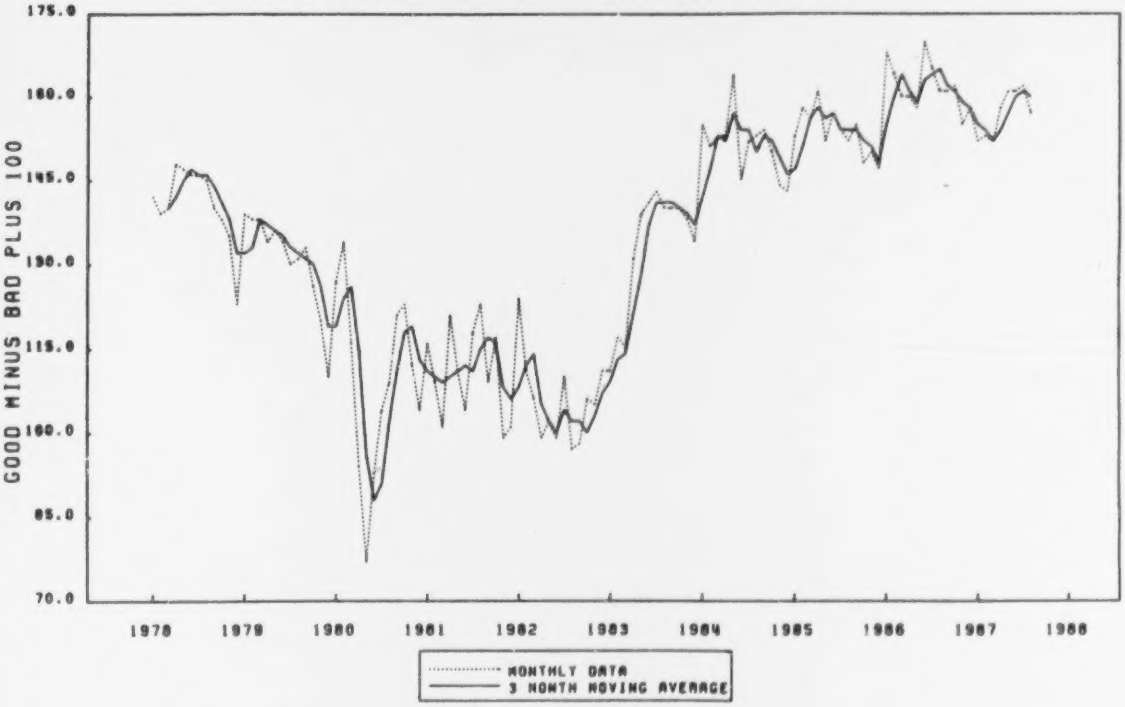


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

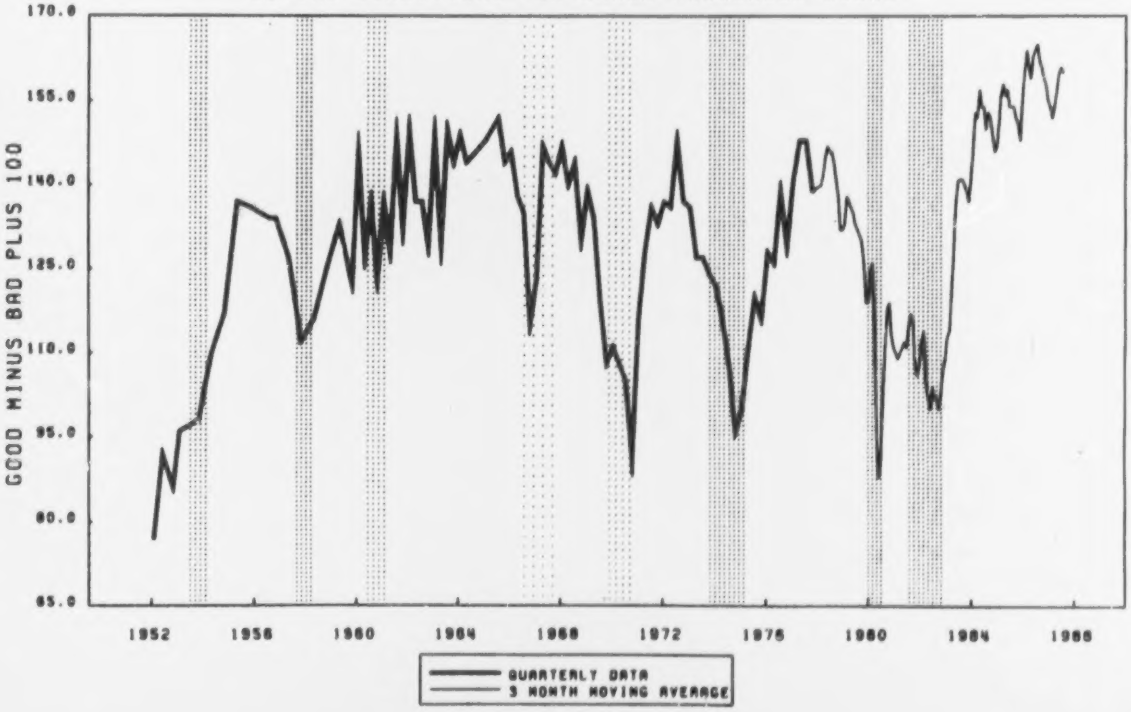


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIME TO BUY	77%	76%	76%	72%	75%	72%	73%	71%	74%	76%	76%	76%	74%
UNCERTAIN, DEPENDS	7	9	10	11	8	8	7	10	10	9	9	10	9
BAD TIME TO BUY	16	15	14	17	17	20	20	19	16	15	15	14	17
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

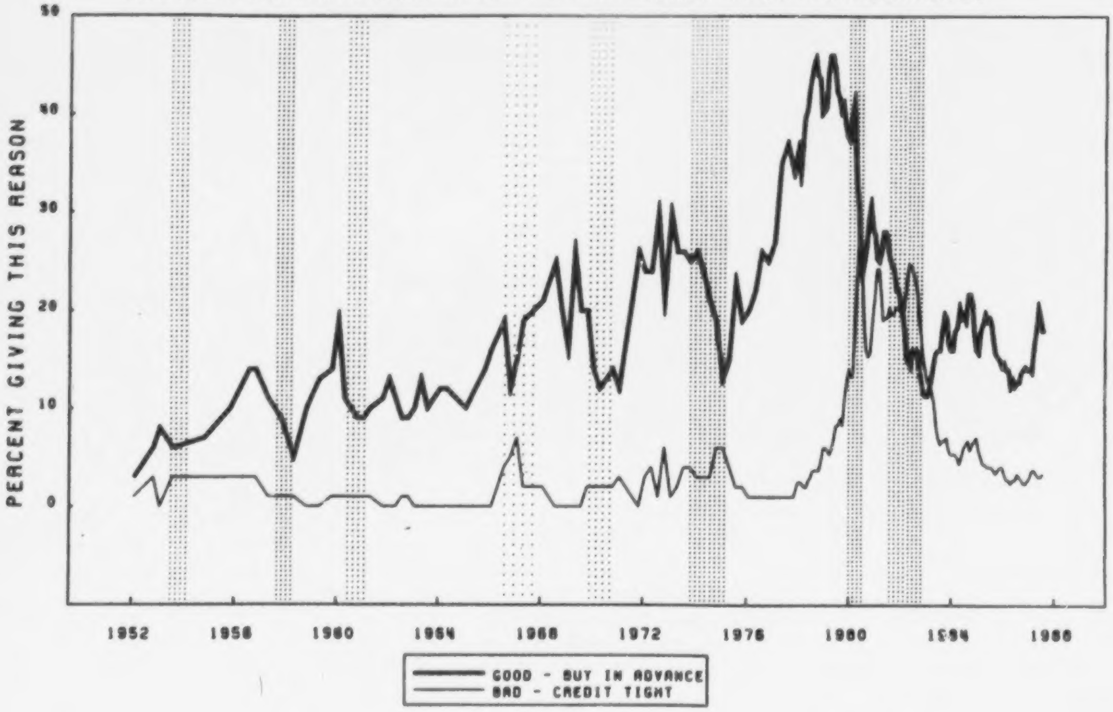


CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

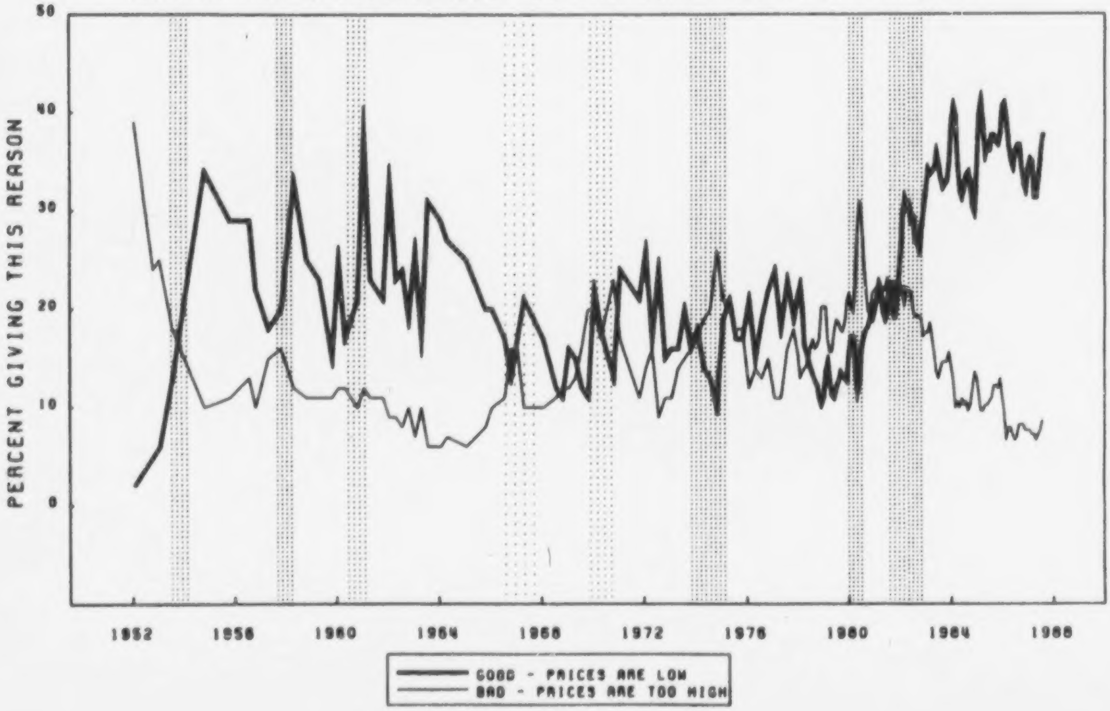


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	35%	33%	30%	33%	40%	33%	32%	29%	33%	38%	37%	38%
Prices won't come down; are going higher	13	14	14	14	15	13	14	14	20	20	21	17	16
Interest rates low; credit is easy	26	29	26	25	18	20	21	23	21	19	15	13	18
BAD TIME TO BUY:													
Prices are high	8	10	7	8	8	7	8	7	7	6	9	8	9
Interest rates are high; credit is tight	4	2	2	3	2	3	4	4	3	3	3	3	4
Lack of purchasing power	7	8	7	8	6	8	7	8	5	4	6	5	6

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

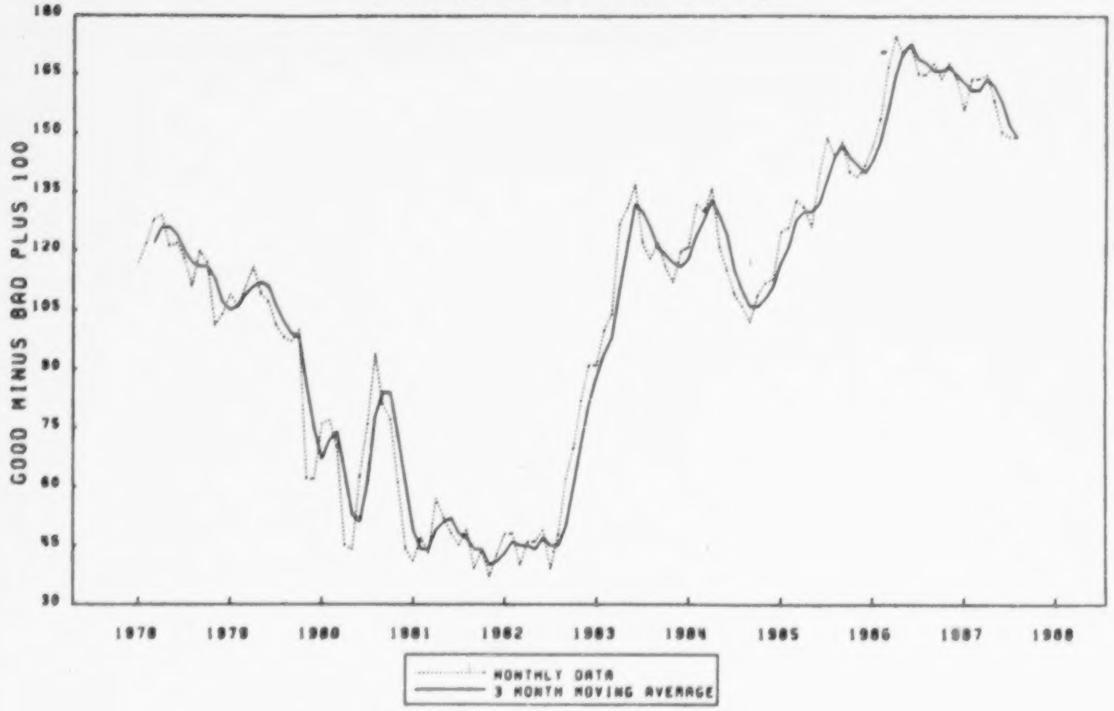


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

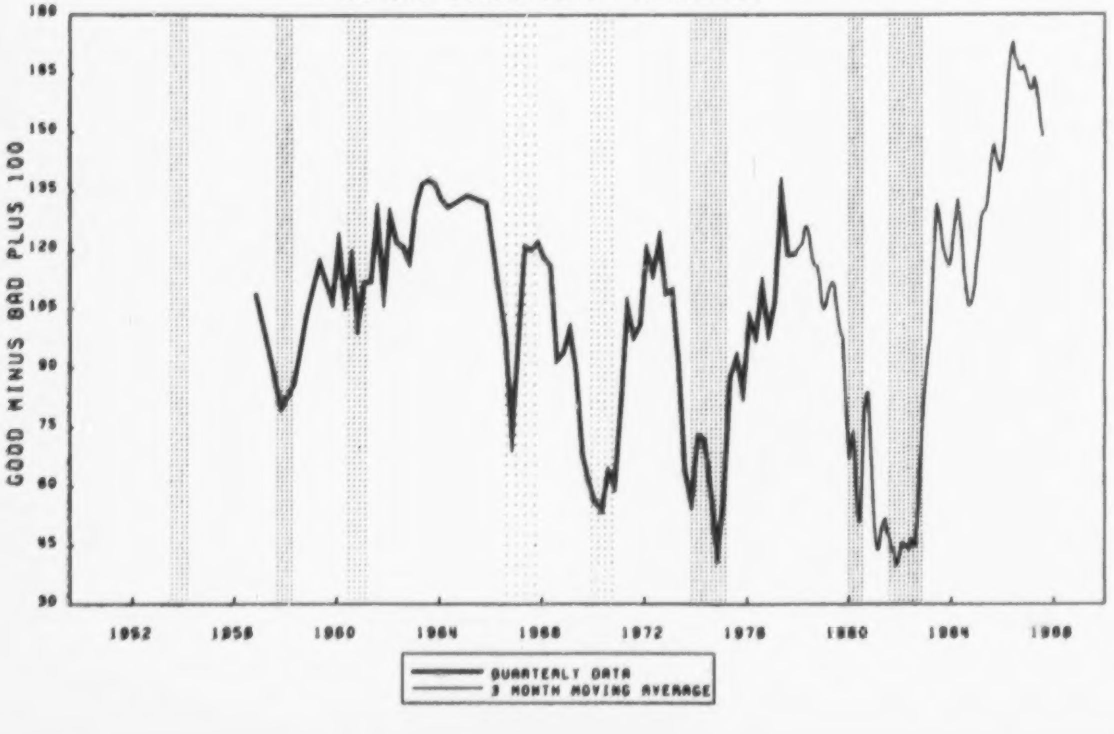


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIME TO BUY	81%	83%	81%	83%	80%	76%	81%	80%	82%	77%	73%	72%	73%
UNCERTAIN, DEPENDS	3	2	2	2	4	4	2	4	1	4	4	5	3
BAD TIME TO BUY	16	15	17	15	16	20	17	16	17	19	23	23	24
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

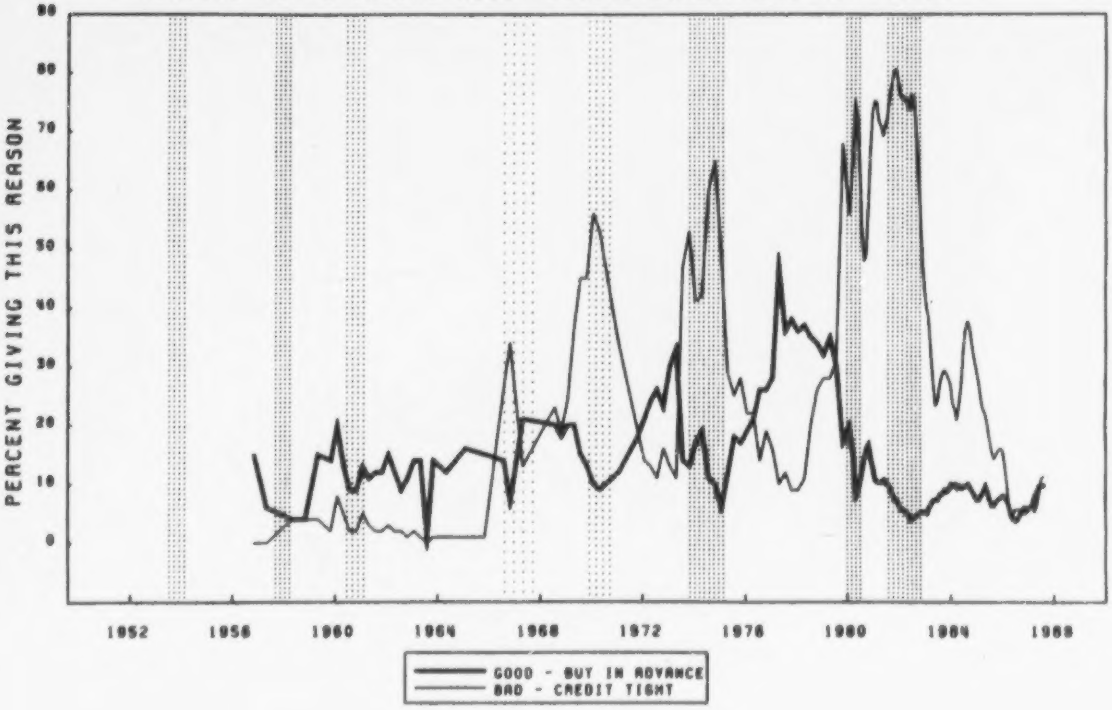


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

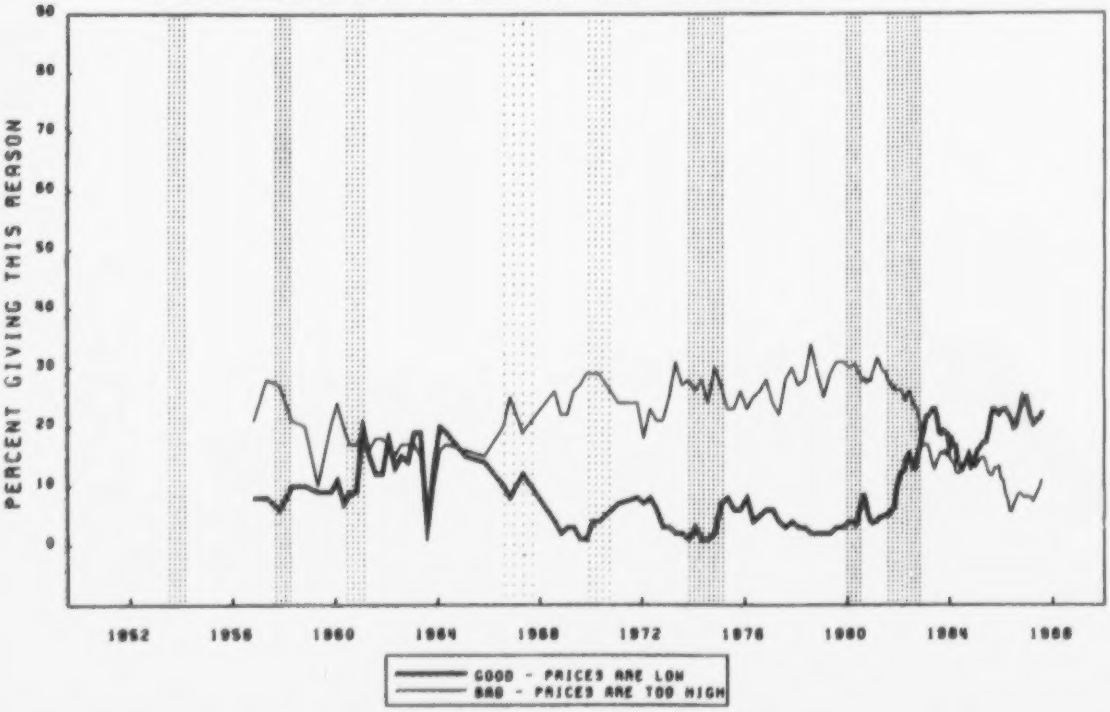


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	26%	22%	27%	23%	24%	21%	19%	21%	22%	21%	21%	25%
Prices won't come down; are going higher	4	6	6	6	6	5	7	8	9	9	11	9	9
Interest rates low; credit is easy	78	79	75	75	73	69	74	71	71	66	63	59	57
Good investment	3	5	6	5	6	6	3	6	7	5	5	6	7
BAD TIME TO BUY:													
Prices are high	8	9	9	7	8	10	6	8	8	9	10	10	13
Interest rates are high; credit is tight	5	5	5	5	5	7	6	6	4	9	12	12	10
Lack of purchasing power	8	6	8	8	7	9	8	6	8	6	8	5	8

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

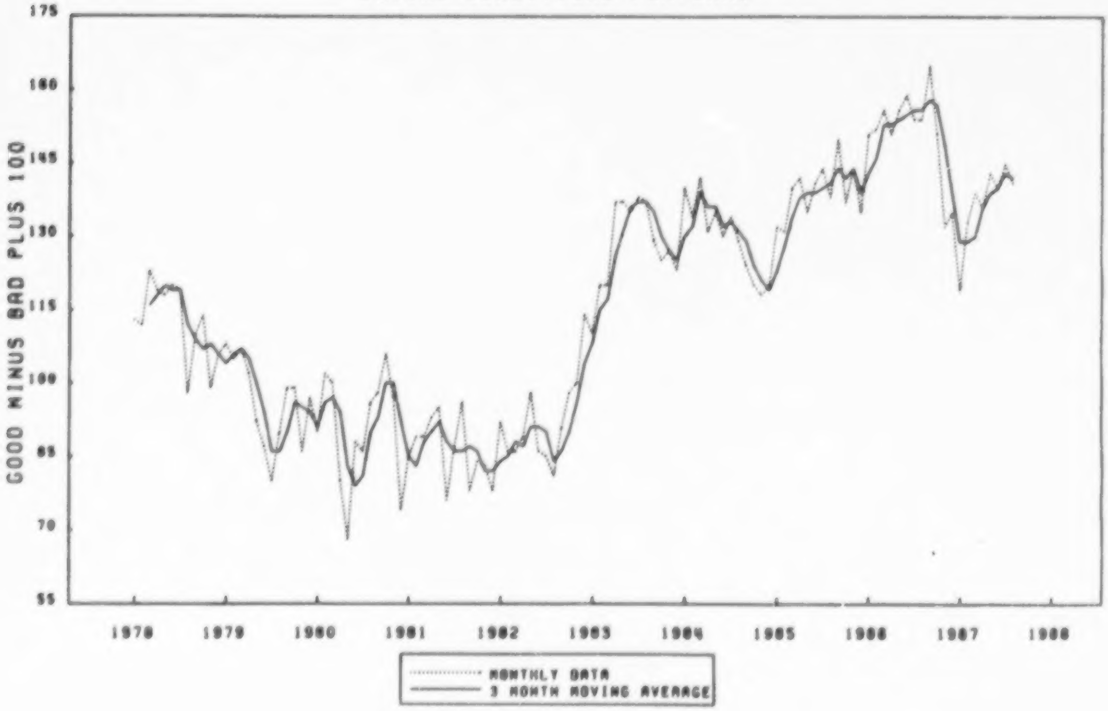


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

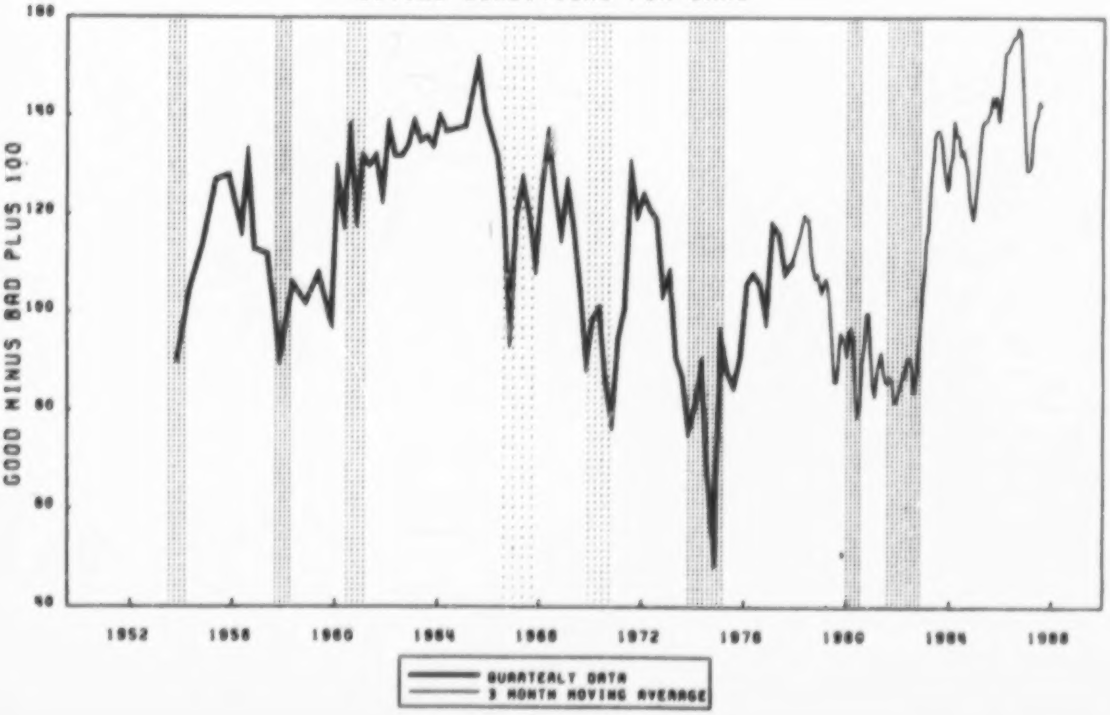


TABLE 25

BUYING CONDITIONS FOR CARS

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIME TO BUY	73%	81%	72%	63%	64%	55%	62%	66%	64%	67%	65%	67%	66%
UNCERTAIN; DEPENDS	8	3	7	6	7	9	9	7	8	9	10	11	9
BAD TIME TO BUY	19	16	21	31	29	36	29	27	28	24	25	22	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	653	659	651	656	653	655	657	652	652	651	654	651	654

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

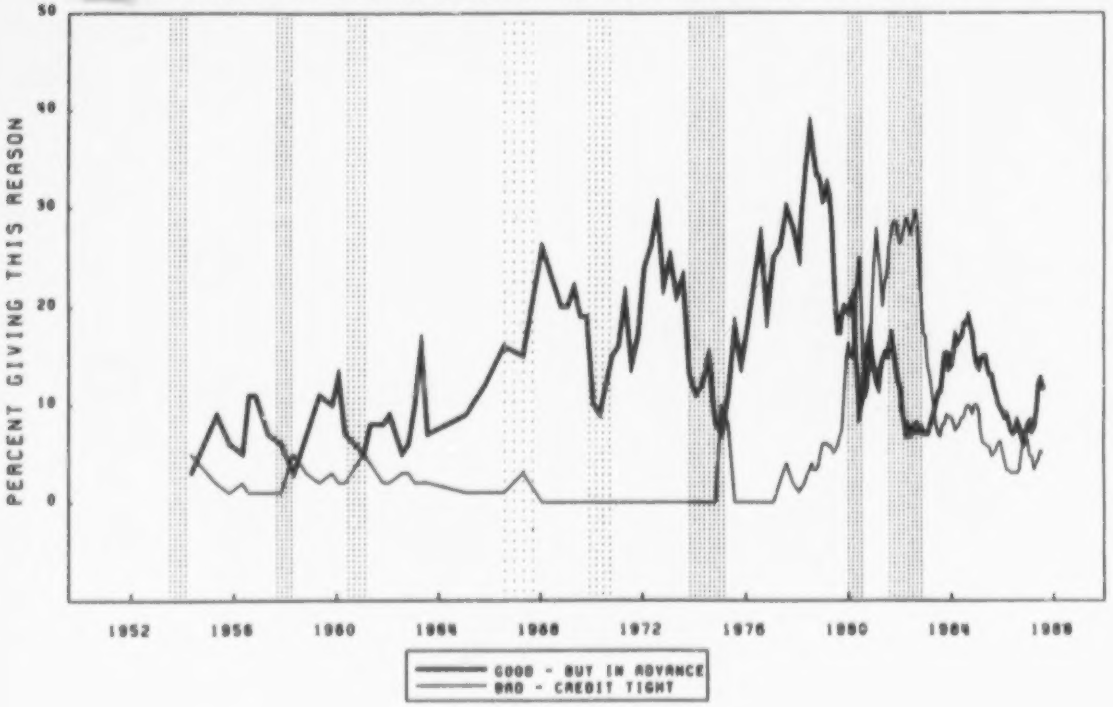


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

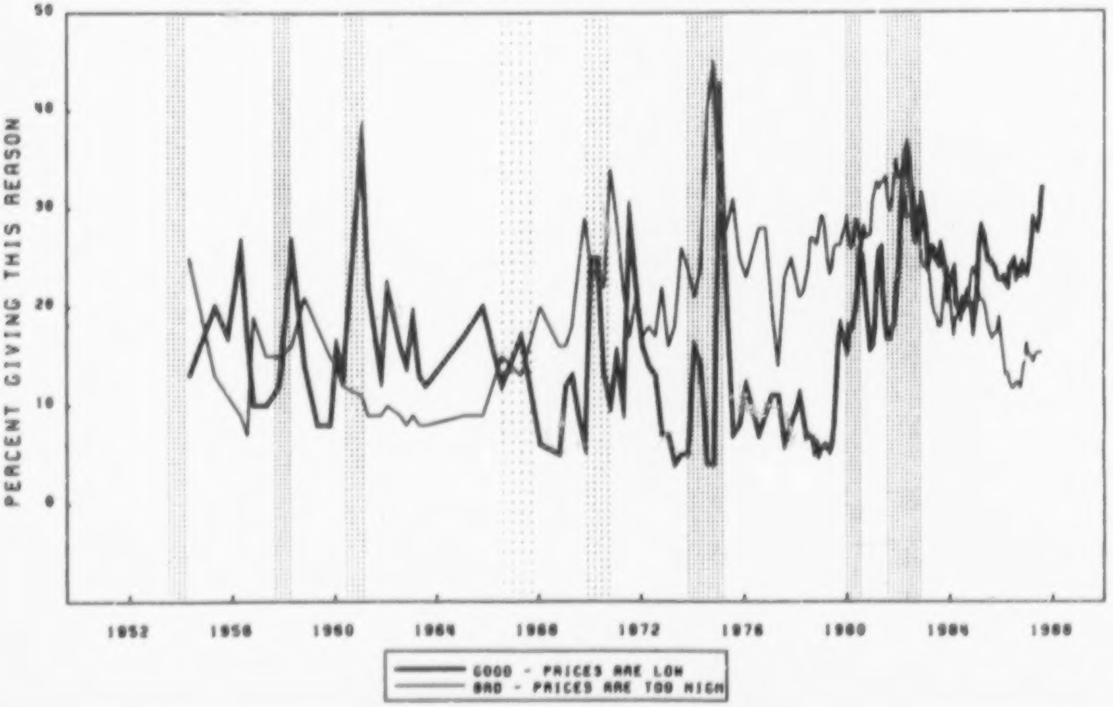


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Aug. 1986	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	23%	25%	22%	26%	23%	21%	29%	29%	28%	27%	28%	32%	36%
Prices won't come down; are going higher	9	6	5	7	9	8	8	6	9	13	15	10	10
Interest rates low; credit is easy	52	73	58	43	45	34	38	44	40	40	38	30	37
New fuel efficient models	*	*	*	*	*	1	*	*	1	*	1	1	*
BAD TIME TO BUY:													
Prices are high	12	11	12	17	15	17	13	15	15	15	16	15	15
Interest rates are high; credit is tight	3	4	8	9	4	6	4	4	2	6	5	5	5
Lack of purchasing power	5	2	2	4	4	6	6	5	5	5	4	4	3
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	*	1	1
Poor selection; quality	1	1	1	2	2	2	2	2	3	3	2	3	5

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

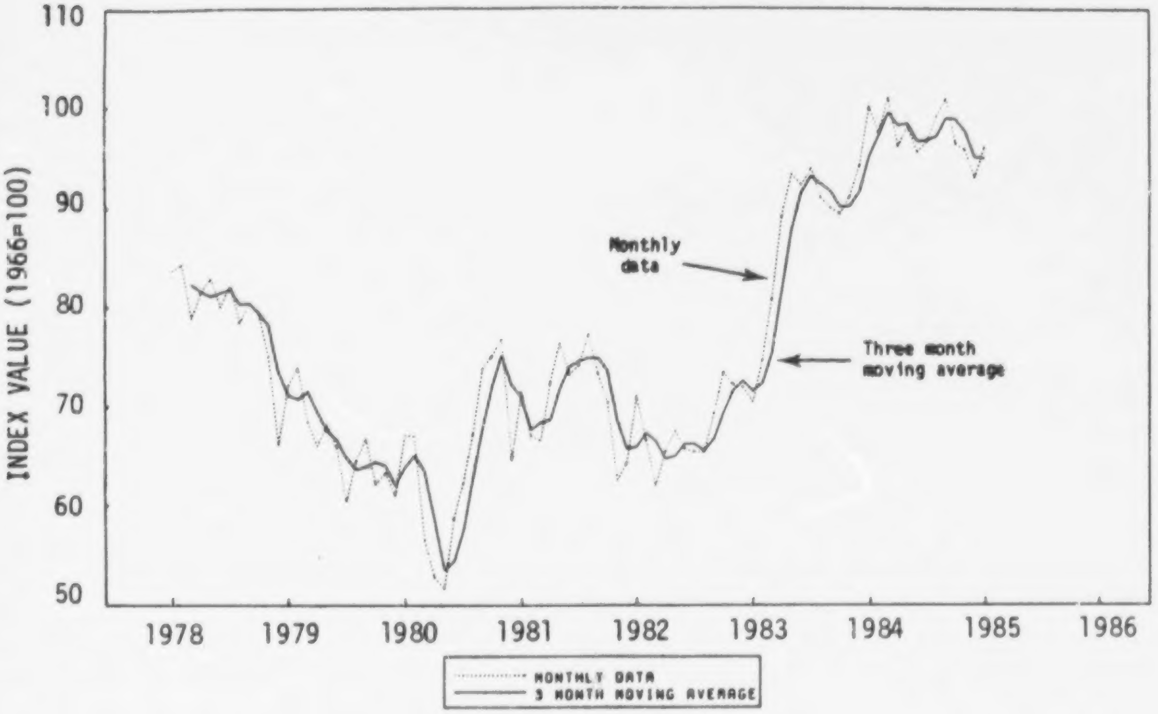
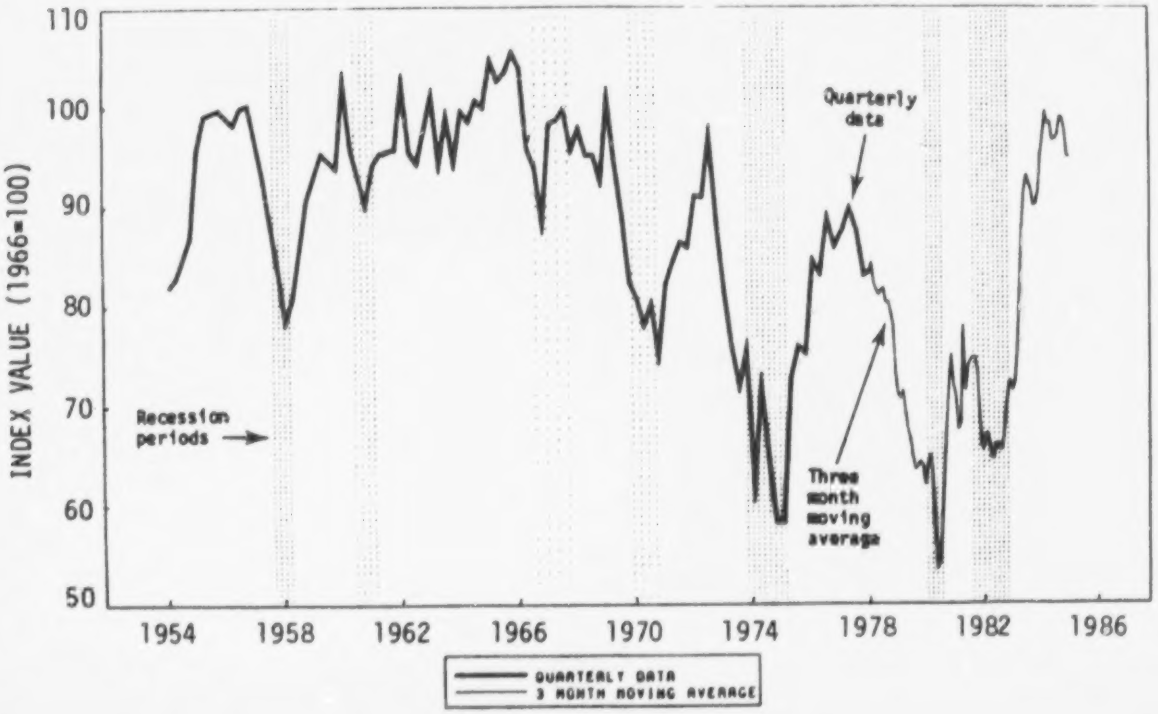


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews 700[b]	 1,400[c]	 2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).

September 11, 1987

AUGUST 1987 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMER SENTIMENT EDGES UPWARD

- In the August 1987 survey, the Index of Consumer Sentiment was 94.4, up from 93.7 in July, and nearly equal to the 94.9 recorded in August 1986. Since the start of 1987, the Index has been on a slowly rising path, continuing to trace a zig-zag pattern at high levels. Most of the recent gains have been centered on improved prospects for the general economy, mainly due to more favorable prospects for employment. Rising interest rates, and the widespread expectation of further increases, however, have dulled favorable buying attitudes.

- Among families with incomes of $30,000 or more, the Index rose to 104.4 in the August 1987 survey, up from 102.5 one month earlier, and just below the 105.0 recorded one year earlier. Since the start of the year, the improvement in sentiment has been least among residents of the North Central region, and respondents age 55 or older.

- Consumers' evaluations of their personal financial situation remained positive in the August 1987 survey. Among all families, 45 percent reported that their financial situation had improved during the past year, and 39 percent expected improvement during the year ahead. Supporting these favorable assessments were widespread reports of increases in family incomes, although the size of the expected increase amounted to less than 1% above the anticipated rate of inflation.

- Consumers' assessments of economic conditions in the nation as a whole improved significantly since the start of the year. Most of the improvement has been due to job gains. Among all families in the August 1987 survey, 55 percent expected good times financially in the economy as a whole during the year ahead, up from the recent low of 45 percent at year end 1986.

- Expected increases in interest rates remains the major concern expressed by consumers. Among all families in the August 1987 survey, 62 percent expected interest rate increases. Although this is down from the peak of 71 percent recorded three months earlier, it remains substantially higher than the 42 percent recorded one year earlier.

- Rising interest rates have thus far had the largest impact on favorable home buying attitudes. Favorable references to mortgage interest rates fell to 57 percent in the August 1987 survey, from 78 percent one year earlier. References to reduced interest rates on vehicle loans were mentioned by 37 percent in August 1987, down from 52 percent one year earlier. With regard to opinions toward buying conditions for large household durables, favorable references to interest rates declined to 18 percent in August 1987, from 26 percent one year earlier.

- As interest rates have become more problematic, attention to price discounts has increased. For homes, vehicles, and especially for large household items, the availability of price discounts have become more important for the continued support of favorable buying attitudes. Moreover, personal financial evaluations, although positive, are now based on the expectation of only small real income increases, increasing the focus of consumer decisions on affordability. These factors indicate little if any growth in unit sales of homes and vehicles during the year ahead, with smaller and less interest-rate sensitive purchases of household items posting modest growth.

Monitoring Economic Change Program
Institute for Social Research • P.O. Box 1248 • Ann Arbor, Michigan 48106-1248 • (313) 763-5224

Personal Finances Remain Favorable

Consumers' evaluations of their own personal financial situation have improved since the start of the year, regaining the ground lost late last year. Among all families in the August 1987 survey, 45 percent reported that their financial situation had improved during the past year, just below the 46 percent recorded a year earlier. Reports of a worsened financial situation fell slightly, to 23 from 25 percent during the past year. Overall, personal financial evaluations remained near cyclical peak levels, and at the most favorable levels recorded since the mid 1960s.

Increases in family income were reported by 36 percent of all families in the August survey, up from 33 percent a year earlier, while reports of income declines fell to 15 from 17 percent. Importantly, complaints about the erosion of family budgets due to inflation remained at very low levels in the August 1987 survey—just 9 percent, just above the 20 year low of 7 percent recorded at the start of 1987. These data indicate that the higher inflation rate posted during the first half of 1987 has not had a significant impact on consumer sentiment.

An improved financial situation during the year ahead was expected by 36 percent of all families in the August 1987 survey, identical to the year earlier reading. Income increases were expected by 64 percent of all families in the August 1987 survey, just above the 62 percent recorded one year earlier. The overall median income increase expected during the year ahead was 3.8% in the August 1987 survey, up from 3.4% one year earlier.

Improved Job Prospects Brightens Outlook for Economy

Business conditions in the country as a whole were judged to have improved during the past year by 54 percent of all families in the August 1987 survey, up from the recent low of 40 recorded at year end 1986. The improvement recorded since the start of 1987 has been due to more favorable employment prospects. The proportion of families that expected the unemployment rate to increase fell to 27 percent in the August 1987 survey from the 1986 year-end high of 42 percent. While this improvement has reversed much of the negative prospects, rather than leading to expectations of further declines in unemployment, the shift has been toward the majority opinion that the unemployment rate will remain largely unchanged during the year ahead (reported by 56 percent of all families in August 1987).

The majority of consumers in the August 1987 survey did not expect any significant changes in the overall performance of the national economy during the year ahead (57 percent, just above the 56 percent recorded one year earlier). Among the balance of consumers, improving economic conditions was expected more frequently that worsening economic conditions, by the margin of 25 to 14 percent. The expectation that the economic expansion would continue into its sixth year, was favorably evaluated by the majority. Among all families in the August 1987 survey, 55 percent expected good times financially for the overall economy, up from the 1986 year-end level of 45 percent. Longer-term prospects for the overall economy also improved since the start of the year. From January to August of 1987, the proportion of families reporting favorable prospects rose to 36 from 30 percent, while unfavorable expectations fell to 43 from 53 percent.

Interest Rate Increases Top Concern

The major area of concern involves expected trends in interest rates. In the August 1987 survey, 62 percent of all families expected interest rate increases. Although this represents a decline since the peak of 71 percent was reached three months earlier, it nonetheless remains substantially above the 42 percent recorded one year earlier. Just 9 percent of all families expected declines in interest rates in the August 1987 survey. The substantial rise in expected interest rates was not mirrored in inflation expectations. The expected annual rate of inflation rose only slightly during the past year, to 4.5% from 4.3%.

Favorable Buying Attitudes Dulled by Rate Increases

Favorable attitudes toward buying conditions for large household durables were held by 74 percent of all families in the August 1987 survey. Although this represents a marginal decline from the 76 percent recorded one month earlier, and the 77 percent recorded one year earlier, attitudes toward buying durable goods remain very favorable. The small decline during the past year resulted from fewer references to the availability of reduced interest rates on these purchases (falling to 18 from 26 percent), partially offset by more frequent mentions of reduced prices (rising to 38 from 35 percent).

Rising mortgage interest rates have dulled home buying attitudes, although they still remain at relatively favorable levels. Among all families in the August 1987 survey, 73 percent favorably rated home buying conditions, down from 81 percent one year earlier. The proportion of families that favorably mentioned mortgage interest rates fell to 57 percent in August 1987, from 78 percent one year earlier.

Favorable attitudes toward vehicle buying conditions were held by 66 percent of all families in the August 1987 survey—a figure that has remained largely unchanged since the Spring of this year. Despite the renewed deep discounts offered by vehicle manufactures on interest rates, the proportion of families that favorably mentioned these rates only rose to 37 percent in August from 30 percent in July. Other than the July reading, the August level of 37 percent was lower than in any of the prior 12 months. Despite the limited impact on buying attitudes from interest rate reductions, the price discounts offered as an alternative to reduced interest rates have captured more attention. Among all families in the August 1987 survey, 36 percent mentioned the availability of reduced prices, the highest level recorded during the past year.

Summary Outlook

Not since the 1960s has consumer sentiment remained as positive for as long a period of time. Starting in late 1982, the Index rose sharply, reaching a cyclical peak of 101.0 in early 1984. Since then the Index has moved in a zig-zag pattern at high levels, showing declines in the second half of each year, followed by increases in confidence during the first half of the next year. From June to December of 1986, the Index declined from 99.3 to 89.1, which has now been followed by a rebound to 94.4.

This pattern of change has been due to shifting assessments of future economic prospects, while evaluations of current economic conditions posted a slight improvement. From the 1984 peak, the Index components representing assessments of future prospects have fallen from 97.7 to 85.5, while the components representing current economic conditions have risen from 106.0 to 107.8.

During the first two years of the recovery, consumer sentiment could best be described as a sense of optimism that economic conditions would improve; during the last two years, consumer sentiment can best be described as a sense of confidence that economic gains now enjoyed can be maintained.

Buying attitudes remain at very favorable levels, and continue to demonstrate sensitivity to changes in interest rates. Home buying has thus far shouldered the largest impact, and the likely increases in mortgage rates in the months ahead would indicate some further weakening. New vehicle sales have continued to respond to interest rate incentives, although the impact from the current round of discounts is unlikely to top last year's record.

As interest rates have become more problematic, attention to price discounts has increased. For homes, vehicles, and especially for large household items, the availability of price discounts have become more important for the continued support of favorable buying attitudes. Moreover, personal financial evaluations, although positive, are now based on the expectation of only small real income increases, increasing the focus of consumer decisions on affordability. These factors indicate little if any growth in unit sales of homes and vehicles during the year ahead, with smaller and less interest-rate sensitive purchases of household items posting modest growth.

• • •

The August 1987 survey included 654 interviews, completed between August 1, 1987 and August 31, 1987.

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SURVEYS OF CONSUMER ATTITUDES

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

TABLES AND CHARTS

SEPTEMBER 1987

The September 1987 survey is the 230th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant over samples.

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TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

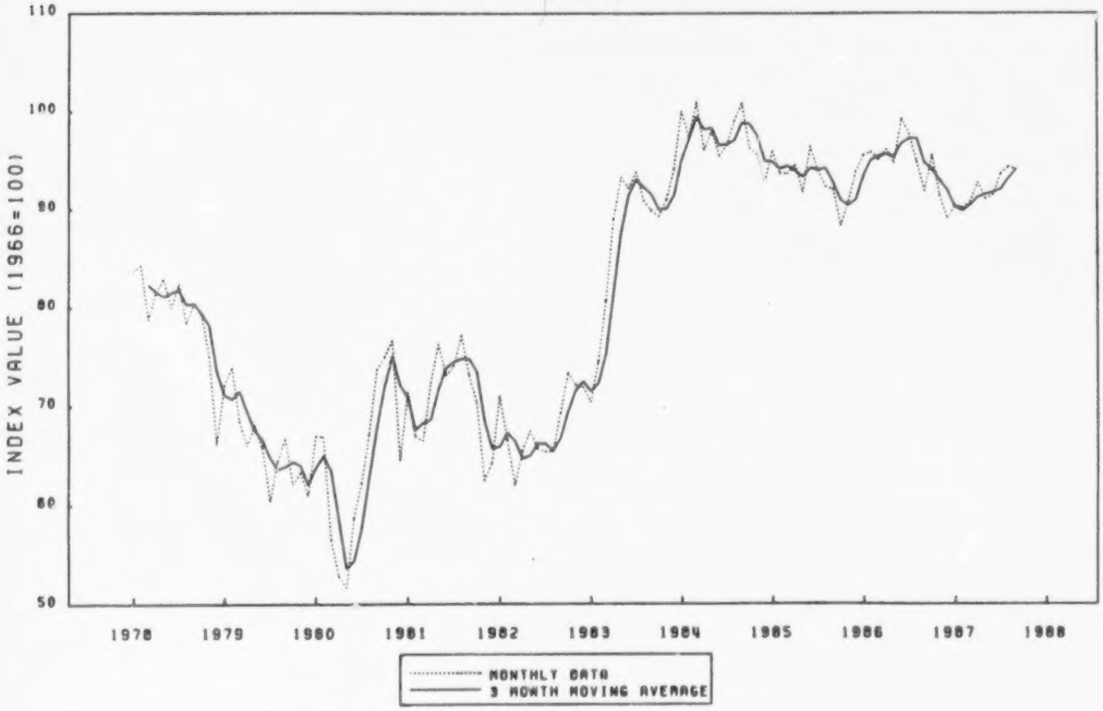
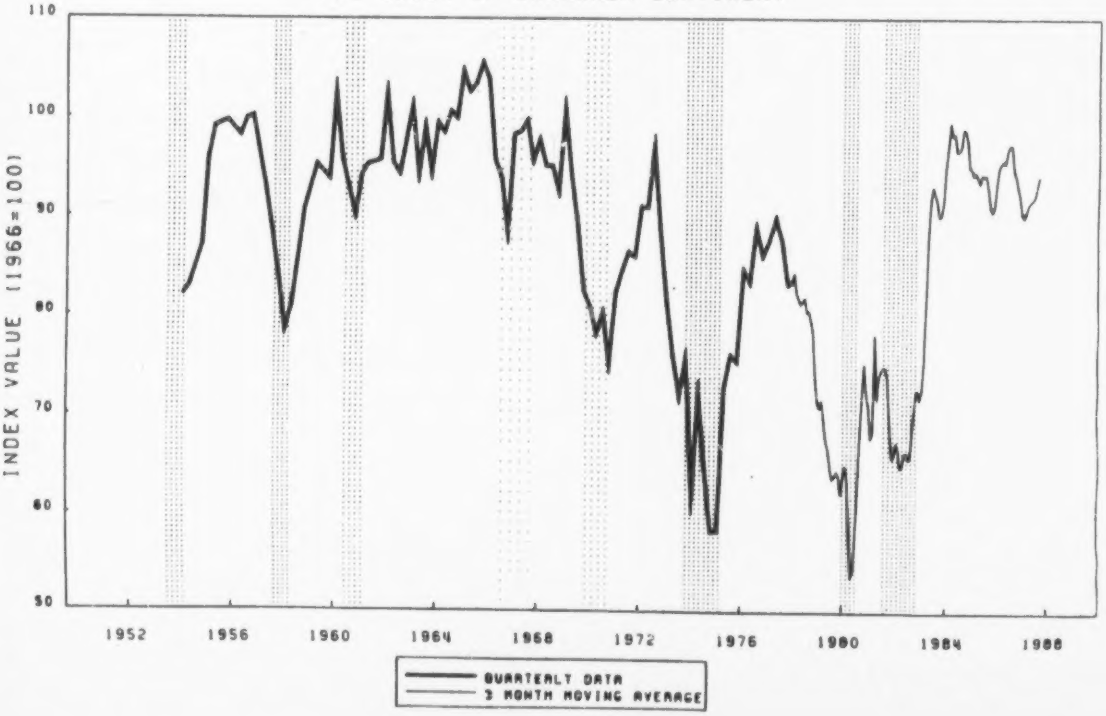


CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



October 8, 1987

SEPTEMBER 1987 MONTHLY REPORT

Surveys of Consumers

Richard T. Curtin, *Director*

RISING INTEREST RATES DIMINISH SPENDING PLANS

- In the September 1987 survey, the Index of Consumer Sentiment was 93.6, insignificantly different from either the 94.4 recorded one month earlier or the 91.9 recorded one year earlier. Consumers expected little overall change in either their personal financial situation or in the national economy during the year ahead. And given the record length of the current expansion, these prospects have maintained consumer confidence at high levels.

- Among families with incomes of $30,000 or more, the Index stood at 100.6 in the September 1987 survey, down from 104.4 one month earlier, but just above the year earlier figure of 99.5.

- Consumers' evaluations of their own financial situation remained positive in the most recent survey. Among all families in the September 1987 survey, 42 percent reported that their financial situation had improved, slightly below the 45 percent recorded both one month and one year earlier. The proportion of families that reported that their financial situation had worsened stood at 23 percent in the September 1987 survey, unchanged from one month earlier, and below the 25 percent recorded one year earlier. Income increases were reported by 33 percent of all families in September 1987, although down from 36 percent one month earlier, it was unchanged from the year earlier figure.

- Nearly half of all consumers (49 percent) expected their financial situation to remain unchanged on balance during the year ahead. Although the September 1987 survey recorded somewhat fewer families that expected improvement (35 percent) than one month earlier (39 percent) or one year earlier (38 percent), no comparable increase in unfavorable expectations was recorded. Among all families, just 11 percent expected their financial situation to worsen in September 1987, just below the 12 percent recorded one month earlier, and unchanged from the year earlier figure.

- Income increases were expected by 57 percent of all families in the September 1987 survey, down from 60 percent one year earlier. The median expected increase in family income was 2.4% in September, down from 3.0% one year earlier. When compared with price increases, 60 percent expected their income to keep pace with or exceed the inflation rate in September 1987, down from 67 percent one year earlier.

- When asked about recent changes in business conditions they had heard, more than half of all respondents in the September 1987 survey (53 percent) replied that they could not recall hearing of any recent developments. This was the highest proportion recorded since 1978, and characteristic of the later stages of an economic expansion. Rather than fewer reports of economic developments reaching consumers, this trend indicates growing habituation and the declining attention given to economic developments as the expansion lengthens. Only what's new is news, and thereby has the potential to cause consumers to revise existing expectations. Just as the impact from news of favorable economic developments are diminished through repeated exposure over a long expansion, the impact of unfavorable developments are heightened by their contrast to the prevailing trend.

- The expectation held by the majority (58 percent) is that the performance of the national economy will be the same as that of the past year. Few consumers expected the economy's performance to improve during the year ahead (21 percent), and fewer still expected the economy to worsen (17 percent). The expectation that the economic expansion would continue has been judged by consumers to mean the continuation of good times financially for the country as a whole during the upcoming year. Among all families in the September 1987 survey, 51 percent expected good times financially in the economy, just ahead of the 50 percent recorded one year earlier.

- An important component of these favorable assessments is that the national unemployment rate was expected to remain largely unchanged at its current low level during the year ahead—expected by 57 percent of all families.

- Over the longer term, fewer families think that the economy will avoid a recession. Among all families in the September 1987 survey, 45 percent expected a recession during the next five years, compared with 37 percent that expected an uninterrupted expansion. This balance of opinion is somewhat more favorable than a year earlier when a recession was thought more likely by the margin of 49 to 33 percent.

- Interest rates are the single most important concern voiced by consumers with current economic prospects. Among all families in the September 1987 survey, 66 percent expected interest rates to increase during the year ahead. Just 7 percent expected declines. During the first half of 1987, the proportion of families that expected interest rate increases rose rapidly, from 37 percent in January to 71 percent in May, and have since then remained close to that heightened level.

- Home buying conditions were viewed favorably by 71 percent of all families in the September 1987 survey, down from 73 percent one month earlier, and 83 percent one year earlier. This decline in favorable opinions can be traced to rising mortgage interest rates. During the past year, the number of references to low mortgage rates fell to 37 from 74 percent. Advance buying rationales have partially offset the initial adverse impact of rising mortgage rates. The proportion of consumers that said it would be better to borrow-in-advance of expected increases in mortgage rates rose to 16 percent in September 1987 from 5 percent one year earlier (see Table A).

- Favorable attitudes toward vehicle buying conditions were held by 66 percent of all families in the September 1987 survey, identical to the month earlier reading. Although vehicle buying attitudes remained at favorable levels, the current reading is well below last September's record of 81 percent. Despite the even lower interest rates offered this September, the number of consumers that mentioned the availability of reduced interest rates fell to 36 in September 1987 from 70 percent in September 1986 (see Table A). That consumers expect the repeated use of interest rate discounts by vehicle manufactures is indicated by the very few consumers that cited the advantages of buying before future interest rate increases (4 percent).

- Favorable attitudes toward buying conditions for large household durables were held by 75 percent of all families in the September 1987 survey, just between the 74 percent recorded one month earlier and the 76 percent recorded one year earlier. The very favorable buying attitudes have been maintained by favorable perceptions of current market prices. Among all families, 37 percent mentioned the availability of price discounts, compared with just 8 percent that complained about high or rising prices.

• • •

Overall, the recent survey indicates a favorable assessment of current economic conditions, but a cautious outlook toward future prospects. The long expansion has provided sustained improvement in family finances, and has gradually reduced unemployment to the lowest level in nearly ten years. These accumulated gains have maintained consumer confidence at high levels. But the upward momentum has long since faded. Currently, the majority of consumers only expect that these past gains will be maintained during the year ahead. The major threat to the continued expansion is rising interest rates—at present, the dominant concern of consumers. Rising interest rates on consumer purchases will continue to diminish prospects for sales in the coming months, especially home sales. And because only small, if any, improvements are expected in personal finances, consumers will continue to time their purchases to the availability of price and interest rate discounts. These factors point toward sagging sales rates through the start of 1988, but not sharp spending cutbacks.

TABLE A

REFERENCES TO INTEREST RATES IN SUPPORT OF FAVORABLE BUYING CONDITIONS

Survey Date		Durables		Houses[a]		Vehicles	
		Low Rates	BIA[b] Rates	Low Rates	BIA Rates	Low Rates	BIA Rates
September	1985	14%	1%	51%	5%	45%	1%
October	1985	14	1	48	7	40	1
November	1985	10	2	45	7	38	2
December	1985	11	1	47	6	35	2
January	1986	17	1	55	5	50	1
February	1986	18	2	60	4	51	2
March	1986	21	1	73	4	52	2
April	1986	27	2	78	5	52	2
May	1986	30	1	76	4	57	1
June	1986	30	1	78	5	59	3
July	1986	25	1	70	7	52	1
August	1986	25	1	73	5	51	1
September	1986	29	*	74	5	70	3
October	1986	24	2	69	6	55	3
November	1986	22	3	69	6	42	2
December	1986	17	1	68	5	43	2
January	1987	19	1	65	4	32	2
February	1987	20	1	68	6	36	2
March	1987	21	2	66	5	43	1
April	1987	18	3	60	11	37	4
May	1987	16	3	50	16	37	3
June	1987	12	3	45	18	35	3
July	1987	11	2	46	13	28	3
August	1987	15	3	44	13	35	3
September	1987	11	4	37	16	36	4

* Less than 0.5 percent.

[a] Also includes homes, home repairs and real estate.

[b] The proportions given above provide greater detail than is reported in the monthly tables (see Tables 22, 24 and 26). The figures above divide the total proportion of respondents that made favorable references to credit conditions into those respondents that referred to the current availability of *low interest rates*, and those that referred to *borrowing-in-advance* (BIA) of rising interest rates.

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $30,000	Families with incomes over $40,000
September 1984	100.9	110.8	112.9
October 1984	96.3	113.5	114.8
November 1984	95.7	112.9	113.6
December 1984	92.9	101.5	101.7
January 1985	96.0	110.2	112.1
February 1985	93.7	113.8	113.8
March 1985	93.7	110.8	114.4
April 1985	94.6	108.9	114.9
May 1985	91.8	105.3	107.7
June 1985	96.5	107.4	110.3
July 1985	94.0	105.2	109.5
August 1985	92.4	106.7	110.2
September 1985	92.1	101.7	104.9
October 1985	88.4	99.6	107.4
November 1985	90.9	100.8	100.3
December 1985	93.9	106.0	108.3
January 1986	95.6	109.7	110.1
February 1986	95.9	107.8	109.0
March 1986	95.1	102.9	110.2
April 1986	96.2	106.9	111.0
May 1986	94.8	105.5	109.9
June 1986	99.3	110.6	112.4
July 1986	97.7	109.6	108.5
August 1986	94.9	105.0	106.6
September 1986	91.9	99.5	102.1
October 1986	95.6	102.8	105.5
November 1986	91.4	97.5	98.7
December 1986	89.1	98.7	98.3
January 1987	90.4	101.2	104.0
February 1987	90.2	103.6	103.6
March 1987	90.8	97.8	96.1
April 1987	92.8	98.5	103.1
May 1987	91.1	97.7	99.2
June 1987	91.5	102.9	102.9
July 1987	93.7	102.5	104.0
August 1987	94.4	104.4	109.1
September 1987	93.6	100.6	104.3

CHART 2A - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

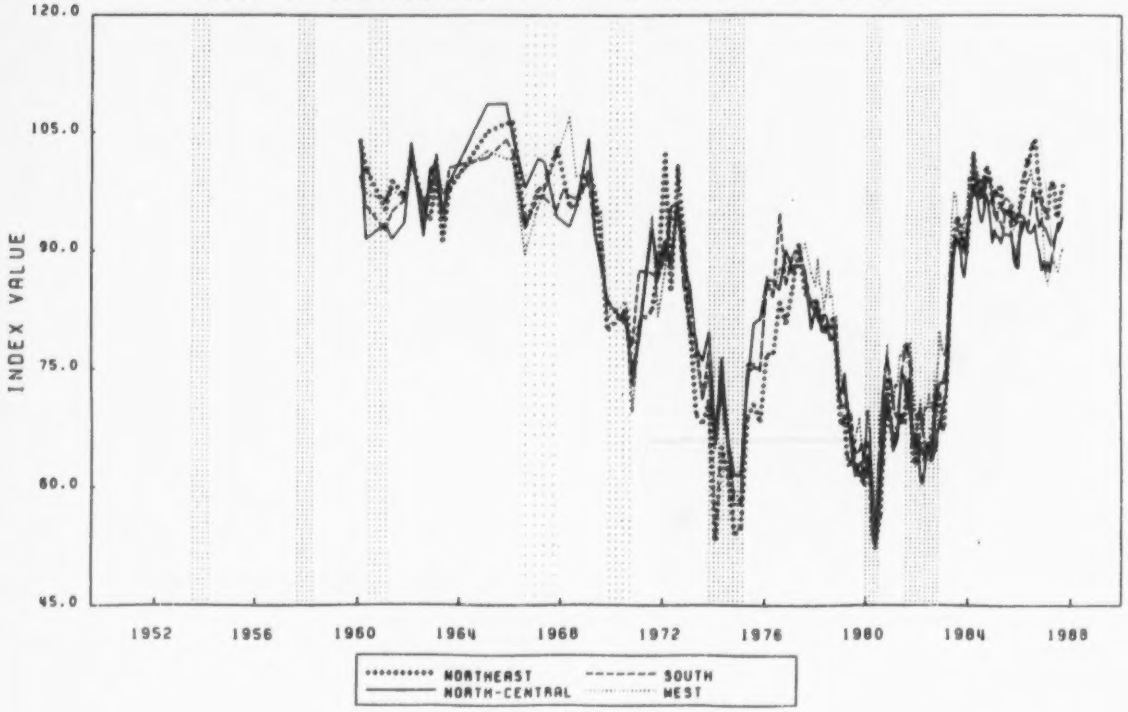


CHART 2B - HISTORICAL SERIES
INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

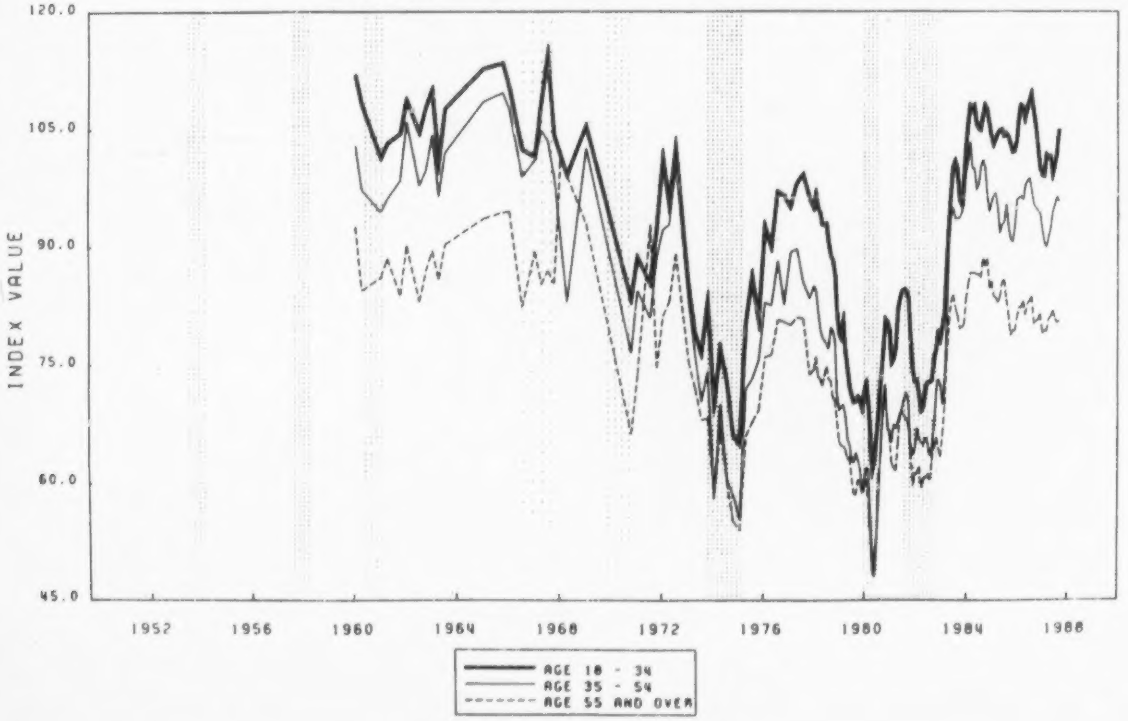


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
September	1984	105.0	99.3	99.7	99.9	108.5	99.9	93.3
October	1984	92.5	89.4	100.9	101.7	108.9	95.5	84.2
November	1984	100.3	93.3	95.6	94.1	105.5	94.0	88.1
December	1984	94.8	90.3	93.4	94.0	102.9	94.1	82.2
January	1985	98.2	94.5	94.6	97.8	104.2	99.0	86.6
February	1985	97.9	90.4	96.6	89.7	102.0	97.0	82.3
March	1985	98.3	90.6	89.8	101.1	104.7	94.7	82.0
April	1985	98.1	91.7	94.8	95.3	106.9	92.9	84.3
May	1985	88.8	94.0	91.9	91.3	103.2	87.9	84.6
June	1985	97.7	90.4	99.0	103.6	105.0	97.8	87.9
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

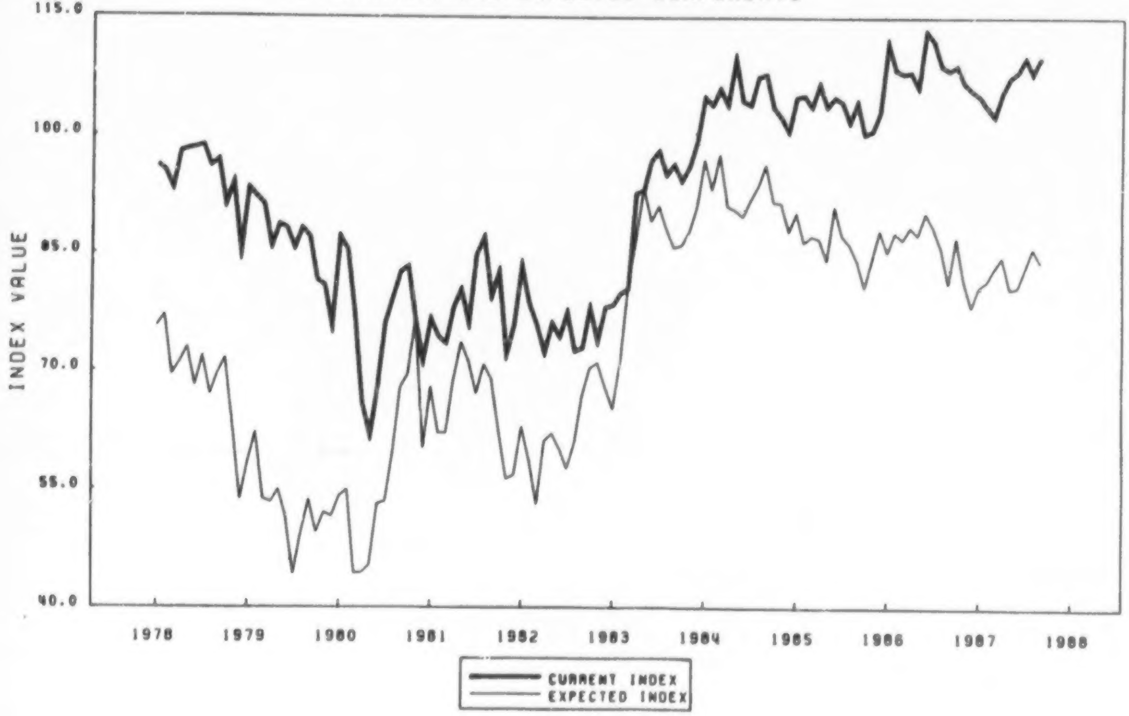


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

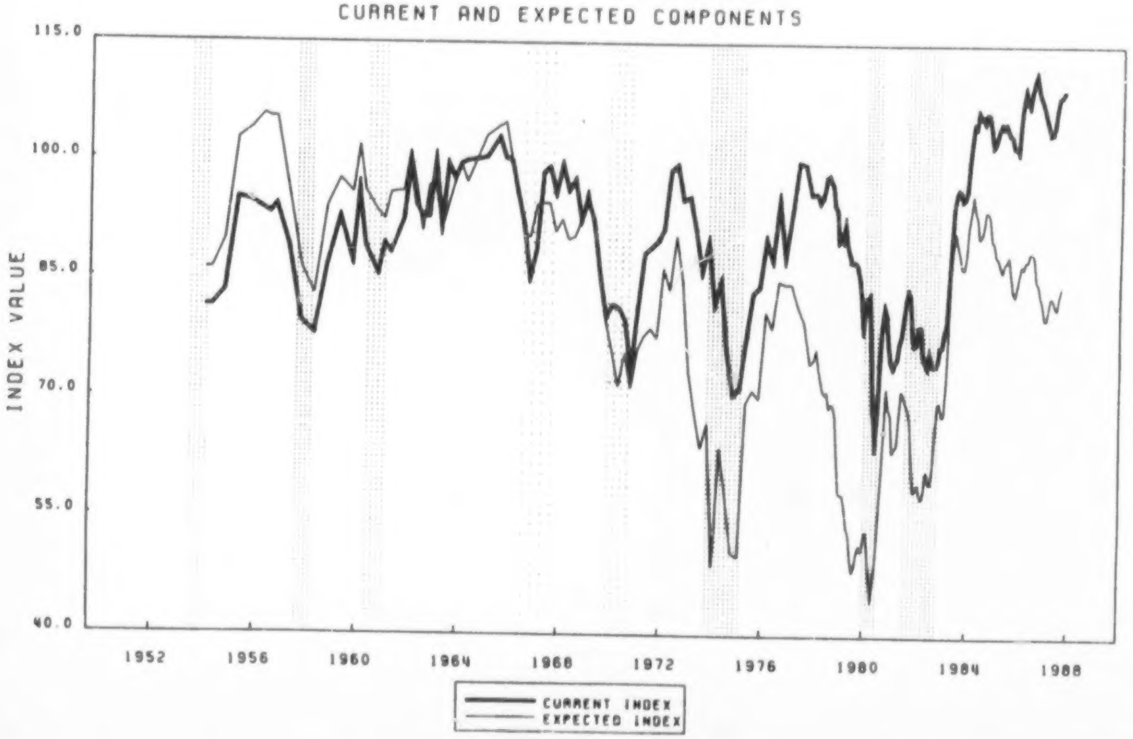


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
DATE OF SURVEY	(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
September 1984	125	131	142	116	154	107.8	96.4
October 1984	118	127	134	107	150	103.6	91.6
November 1984	121	129	132	107	144	102.4	91.5
December 1984	118	125	131	98	143	100.6	87.9
January 1985	119	124	135	104	153	104.9	90.3
February 1985	115	120	131	96	158	105.1	86.5
March 1985	112	123	133	96	156	103.7	87.3
April 1985	116	127	128	95	161	106.6	87.0
May 1985	116	120	121	97	152	103.7	84.2
June 1985	115	127	133	106	157	104.9	91.1
July 1985	116	124	129	98	154	104.3	87.4
August 1985	112	123	125	99	152	101.8	86.3
September 1985	116	124	118	96	155	104.3	84.2
October 1985	111	123	111	90	148	100.3	80.8
November 1985	111	124	120	96	150	100.7	84.5
December 1985	120	124	127	103	147	103.1	88.1
January 1986	122	123	126	93	168	111.8	85.3
February 1986	117	123	132	98	164	108.4	87.8
March 1986	120	124	129	96	160	107.9	86.9
April 1986	120	128	133	94	160	108.1	88.5
May 1986	117	129	131	92	158	106.2	87.5
June 1986	124	127	136	100	170	113.3	90.3
July 1986	126	130	131	94	165	112.1	88.5
August 1986	121	128	123	94	161	108.9	85.9
September 1986	120	127	115	84	161	108.3	81.3
October 1986	120	127	124	99	162	108.9	87.1
November 1986	121	121	120	87	155	106.7	81.6
December 1986	116	127	104	83	158	105.8	78.3
January 1987	120	130	117	77	152	105.1	80.9
February 1987	115	126	117	84	153	103.7	81.6
March 1987	114	122	121	92	152	102.5	83.3
April 1987	116	127	116	97	158	105.5	84.7
May 1987	117	121	114	89	161	107.4	80.6
June 1987	120	122	113	89	161	108.1	80.8
July 1987	123	123	118	94	162	109.9	83.3
August 1987	122	127	125	93	157	107.8	85.8
September 1987	119	124	122	92	162	108.3	84.2

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.
+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

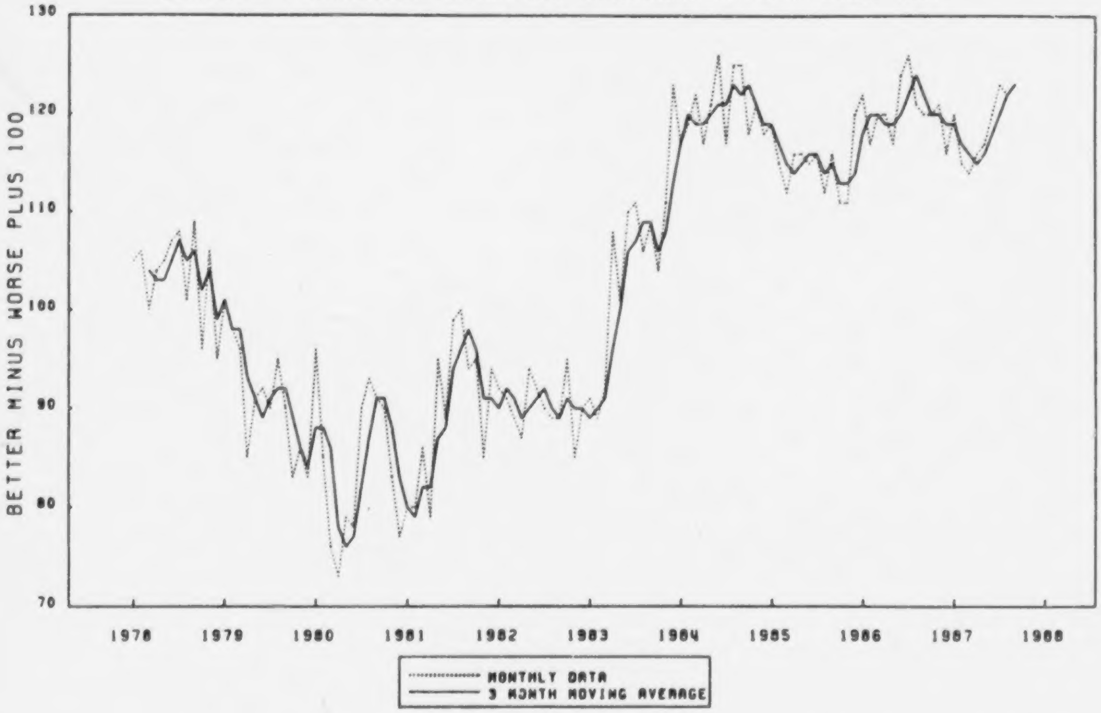


CHART 4 - HISTORICAL SERIES
CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

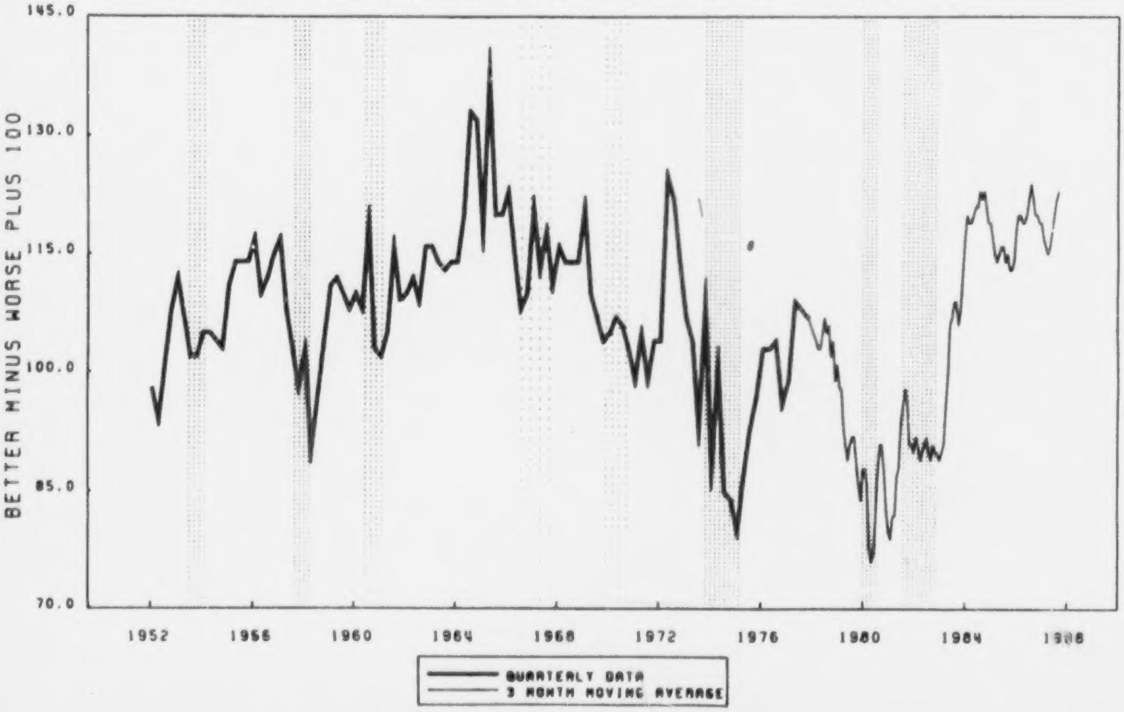


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
BETTER OFF	45%	44%	43%	43%	45%	44%	41%	42%	43%	44%	45%	45%	42%
SAME	30	32	35	30	29	27	32	32	31	32	32	32	34
WORSE OFF	25	24	22	27	25	29	27	26	26	24	22	23	23
DK,NA	*	*	*	*	1	*	*	*	*	*	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

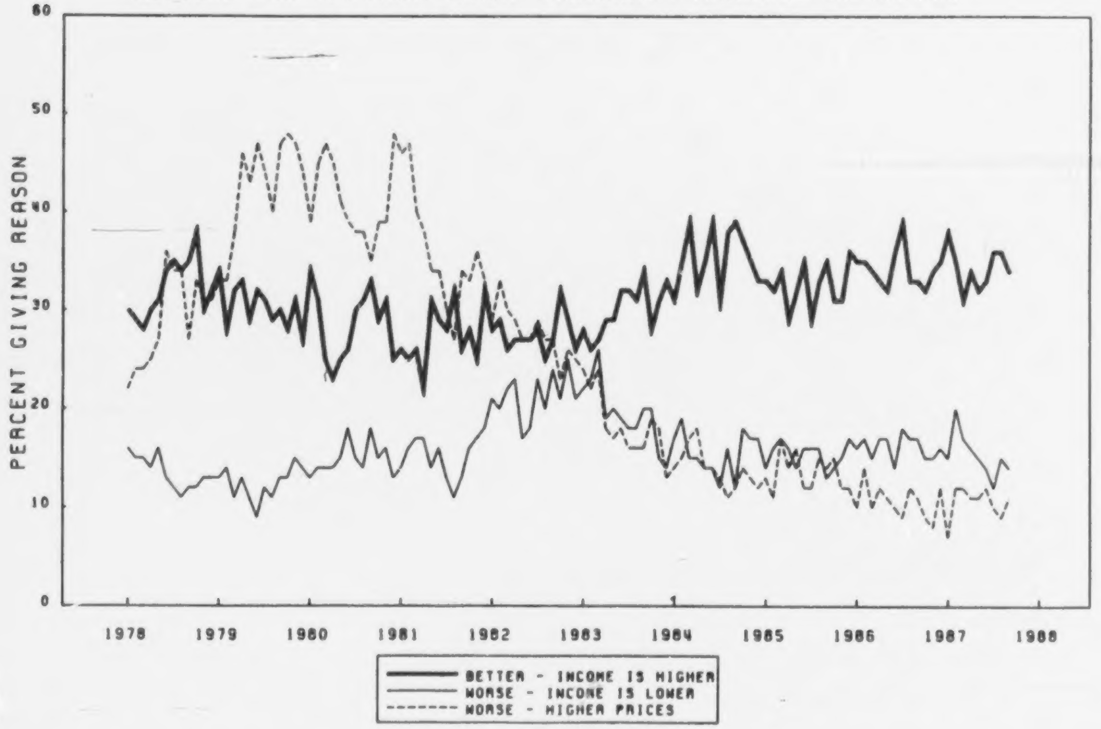


CHART 5 - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

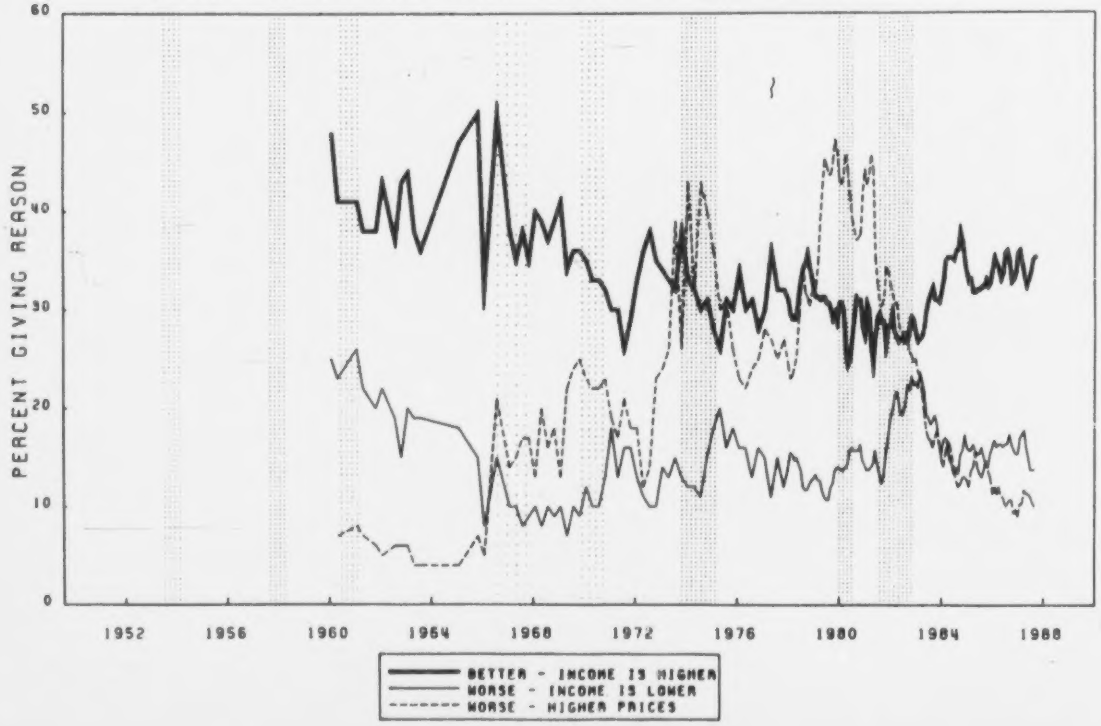


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
BETTER OFF THAN YEAR AGO:													
Income is higher	33%	32%	34%	35%	38%	35%	31%	34%	32%	33%	36%	36%	33%
WORSE OFF THAN YEAR AGO:													
Income is lower	17	15	15	16	15	20	17	16	15	14	12	15	16
Higher prices	11	9	8	12	7	12	12	11	11	12	10	9	12

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES
EXPECTED CHANGE IN FINANCIAL SITUATION

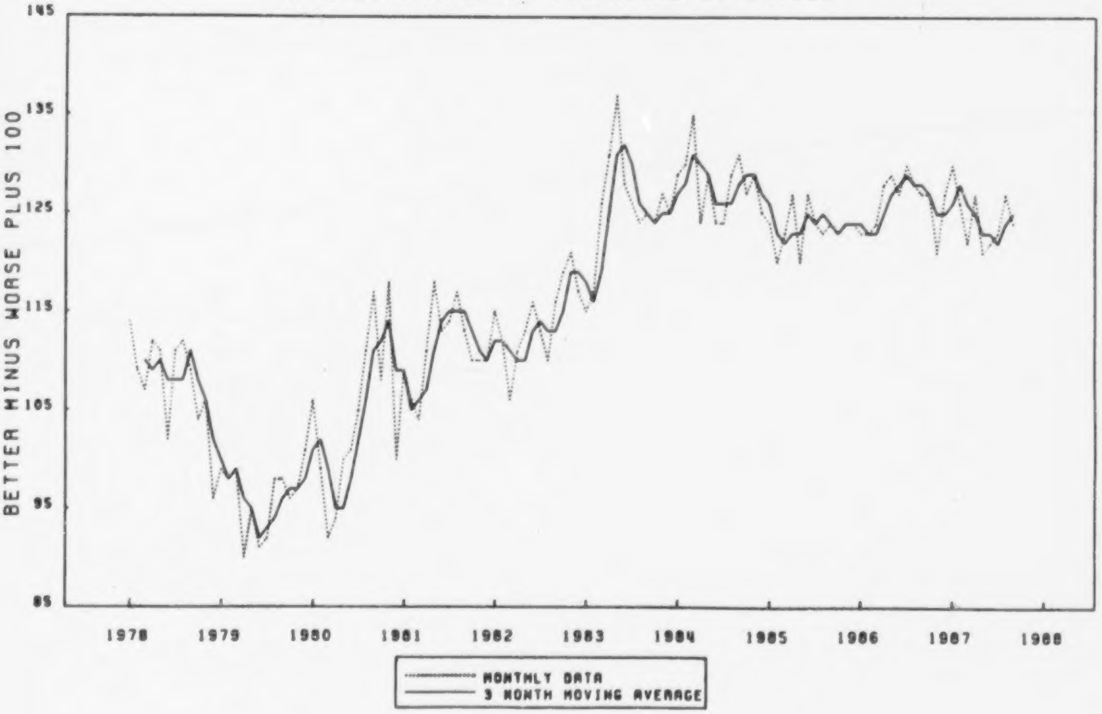


CHART 6 - HISTORICAL SERIES
EXPECTED CHANGE IN FINANCIAL SITUATION

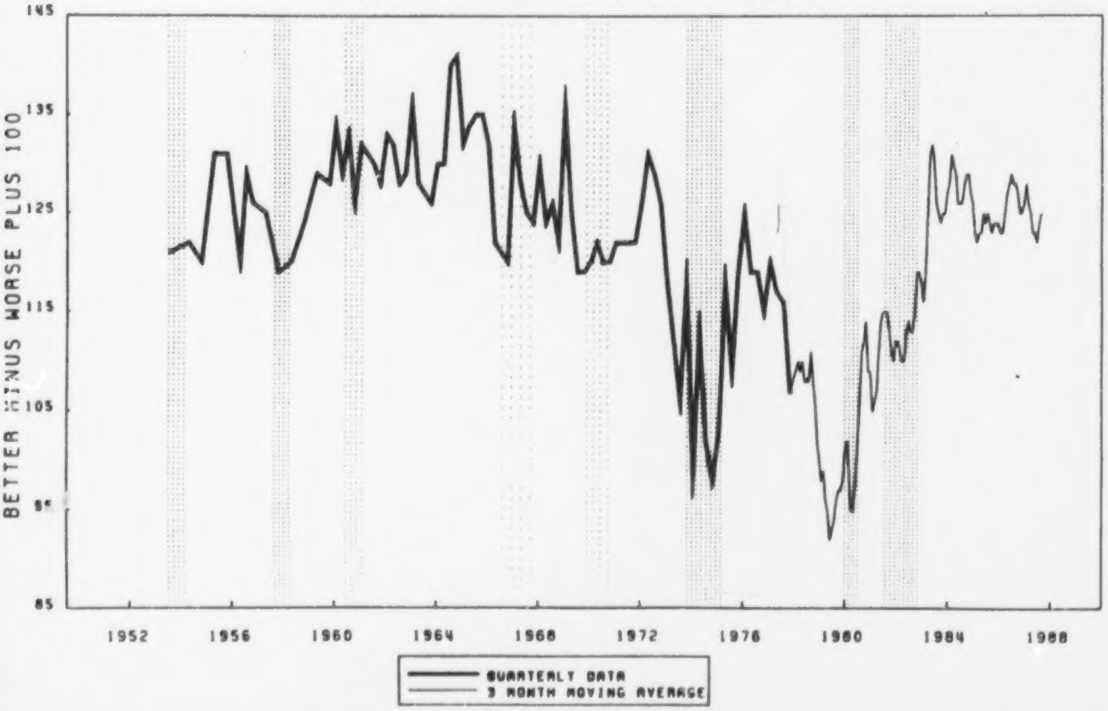


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
BETTER OFF	38%	37%	33%	36%	39%	38%	33%	37%	32%	33%	34%	39%	35%
SAME	47	51	52	52	48	48	53	49	54	53	52	46	49
WORSE OFF	11	10	12	9	9	12	11	10	11	11	11	12	11
DK,NA	4	2	3	3	4	2	3	4	3	3	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES
TREND IN PERSONAL FINANCIAL SITUATION

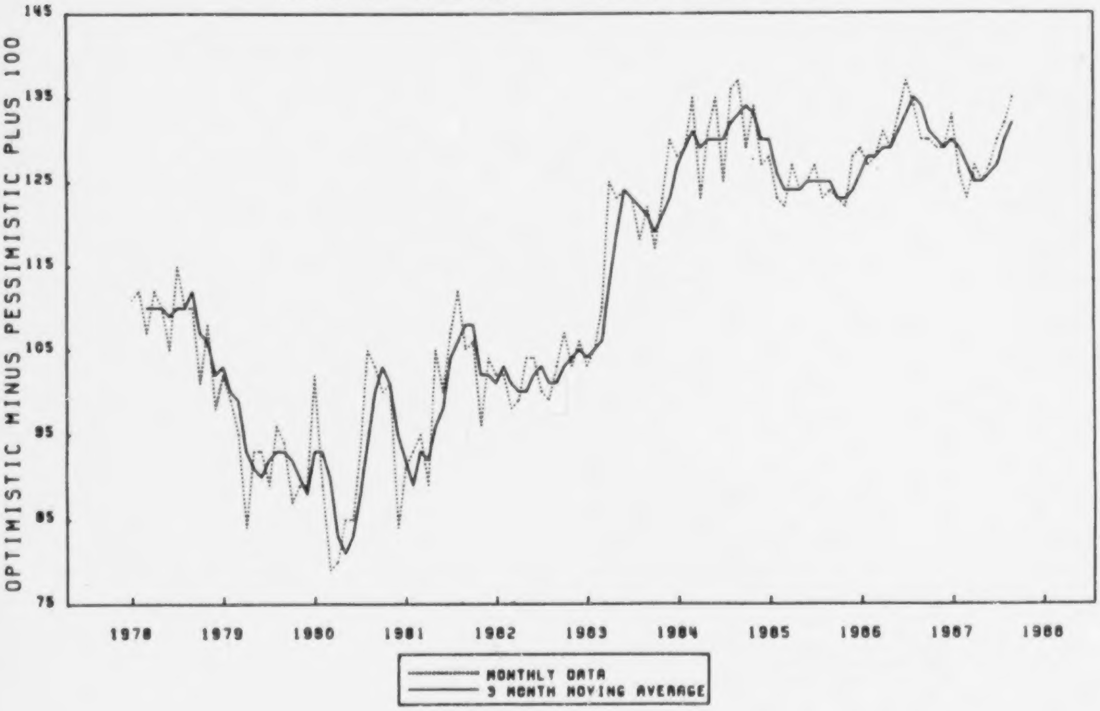


CHART 7 - HISTORICAL SERIES
TREND IN PERSONAL FINANCIAL SITUATION

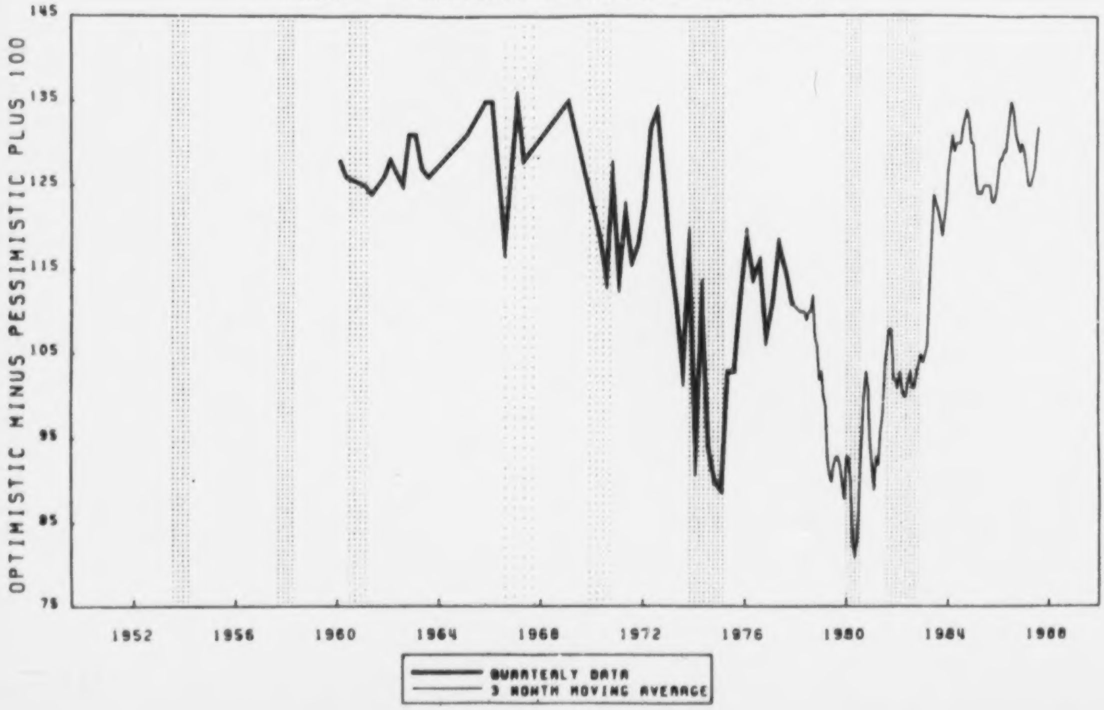


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	21%	22%	18%	18%	22%	22%	19%	19%	17%	18%	19%	23%	18%
Intermittant increase (b)	29	27	29	29	28	27	25	28	28	31	29	29	31
Remain unchanged (c)	16	19	22	19	17	15	22	17	20	17	20	16	19
Intermittant decline (d)	15	16	13	14	14	17	16	17	16	17	14	16	12
Continuous decline (e)	5	3	5	4	3	6	5	3	4	5	4	4	5
Mixed change (f)	10	11	10	13	12	11	10	12	12	8	10	9	10
DK;NA	4	2	3	3	4	2	3	4	3	4	4	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

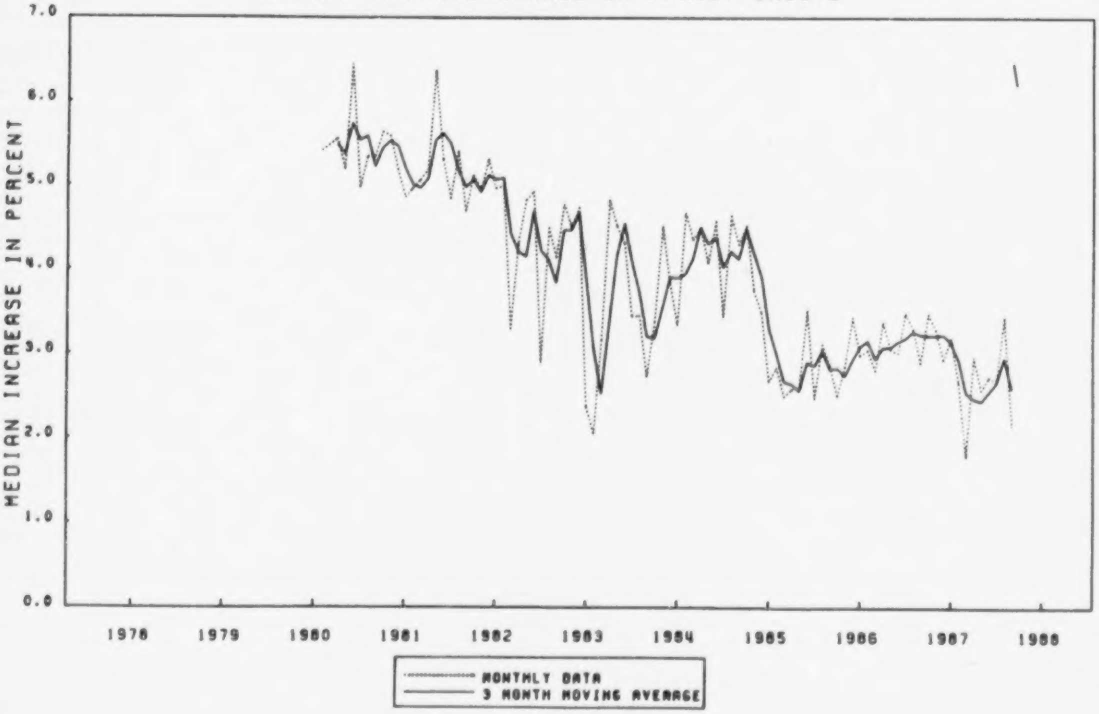


CHART 8 - HISTORICAL SERIES
MEDIAN EXPECTED CHANGE IN FAMILY INCOME

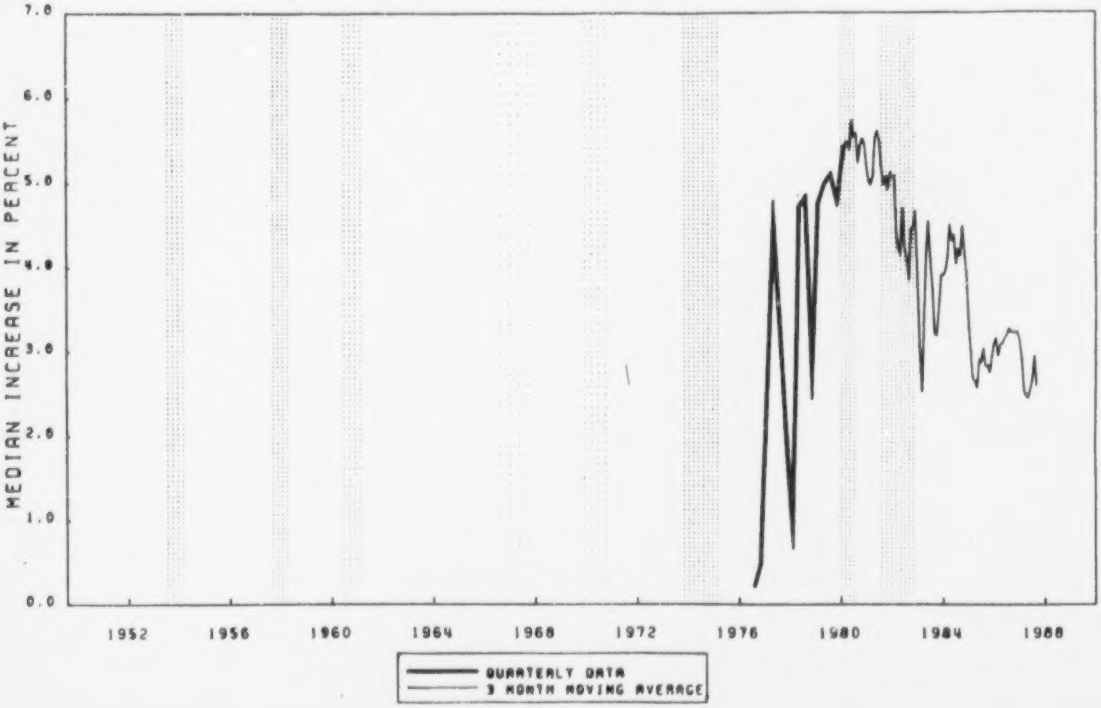


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
EXPECT INCREASE:													
1-4%	16%	14%	17%	18%	16%	15%	17%	15%	18%	21%	18%	17%	17%
5%	15	12	13	12	11	12	11	9	9	9	9	12	13
6-9%	7	6	9	8	8	5	7	8	8	10	7	6	6
10-24%	15	19	15	14	17	15	11	19	14	13	16	17	10
25% or more	4	7	6	6	6	6	5	5	6	5	6	8	6
DK how much up	3	3	4	4	4	6	6	4	3	4	4	4	5
EXPECT SAME	26	26	23	26	25	27	28	27	26	26	27	23	30
EXPECT DOWN	13	12	12	12	12	14	15	13	15	12	13	11	11
DK,NA	1	1	1	*	1	*	*	*	1	*	*	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES
INCOME OR PRICES UP MORE NEXT YEAR

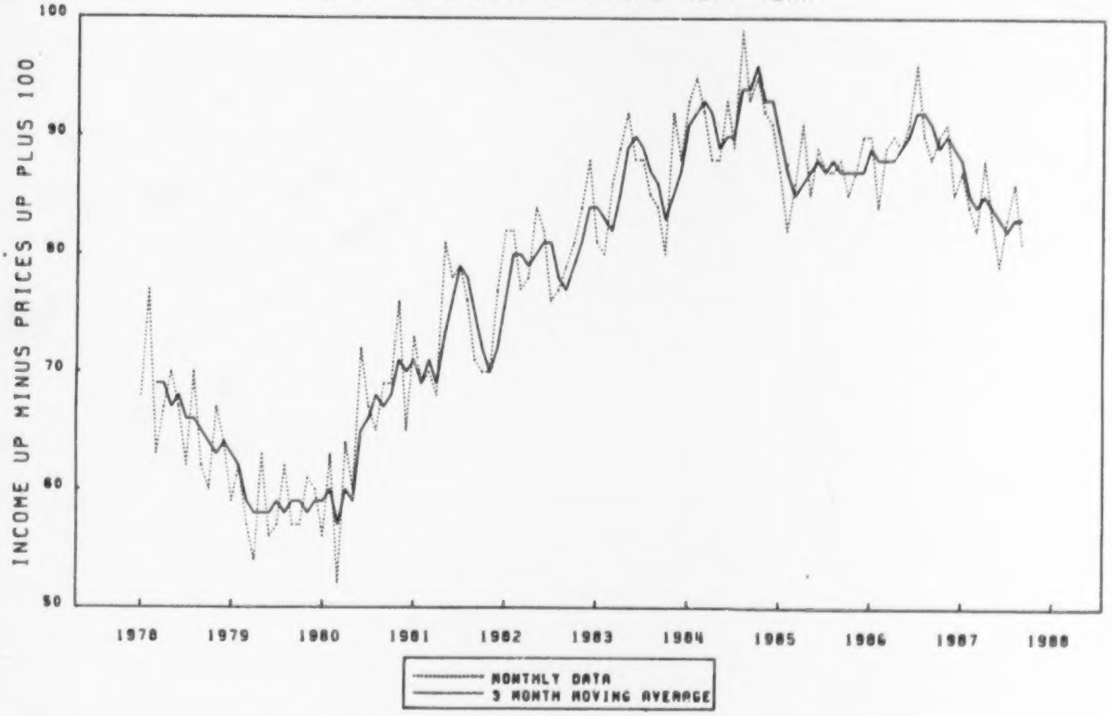


CHART 9 - HISTORICAL SERIES
INCOME OR PRICES UP MORE NEXT YEAR

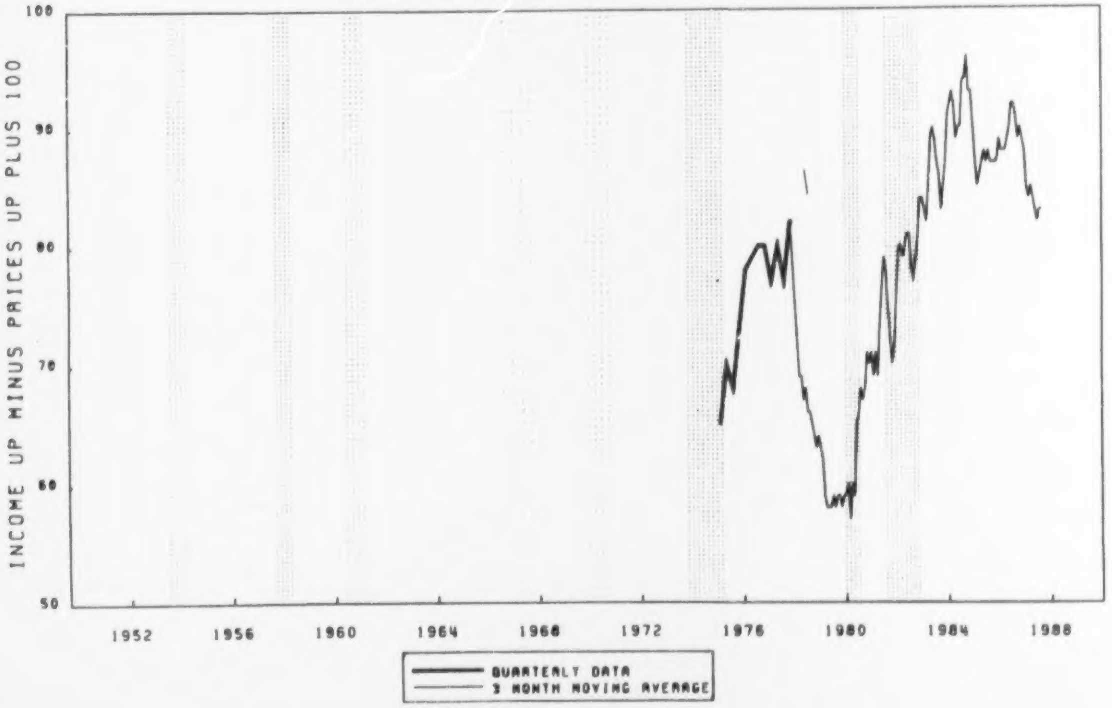


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
INCOME UP MORE	20%	22%	21%	19%	22%	20%	18%	21%	17%	17%	17%	21%	18%
INCOME UP SAME	47	45	47	45	41	42	44	44	48	44	47	42	42
PRICES UP MORE	32	32	30	34	35	36	36	33	34	38	34	35	38
DK,NA	1	1	2	2	2	2	2	2	1	1	2	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 10 - RECENT CHANGES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

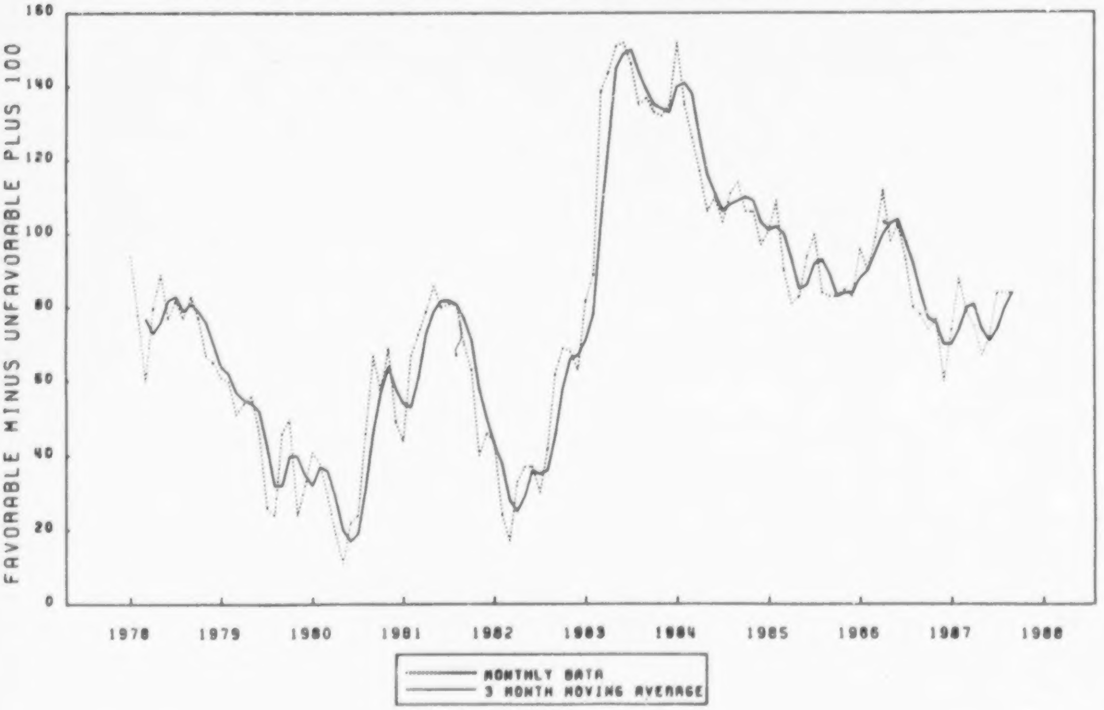


CHART 10 - HISTORICAL SERIES
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

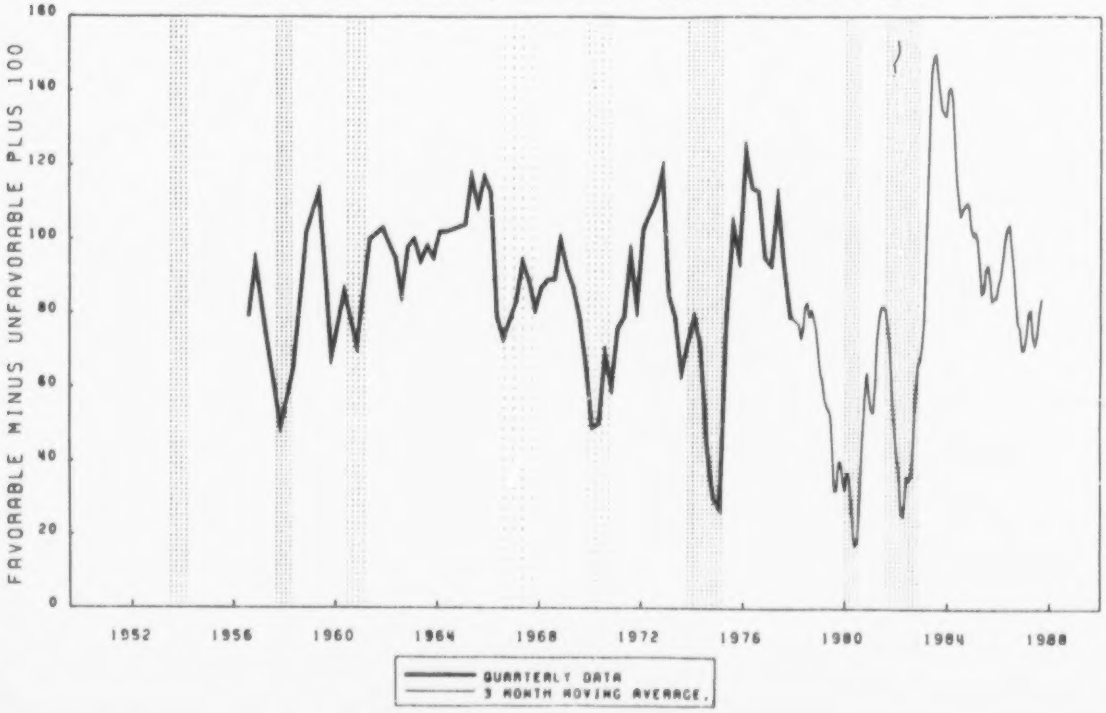


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
FAVORABLE NEWS	29%	26%	30%	22%	26%	36%	27%	27%	26%	29%	29%	32%	24%
UNFAVORABLE NEWS	51	52	53	62	52	48	48	52	59	57	45	48	44
NO MENTIONS	49	48	47	44	44	45	49	46	44	42	50	47	53

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

: May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

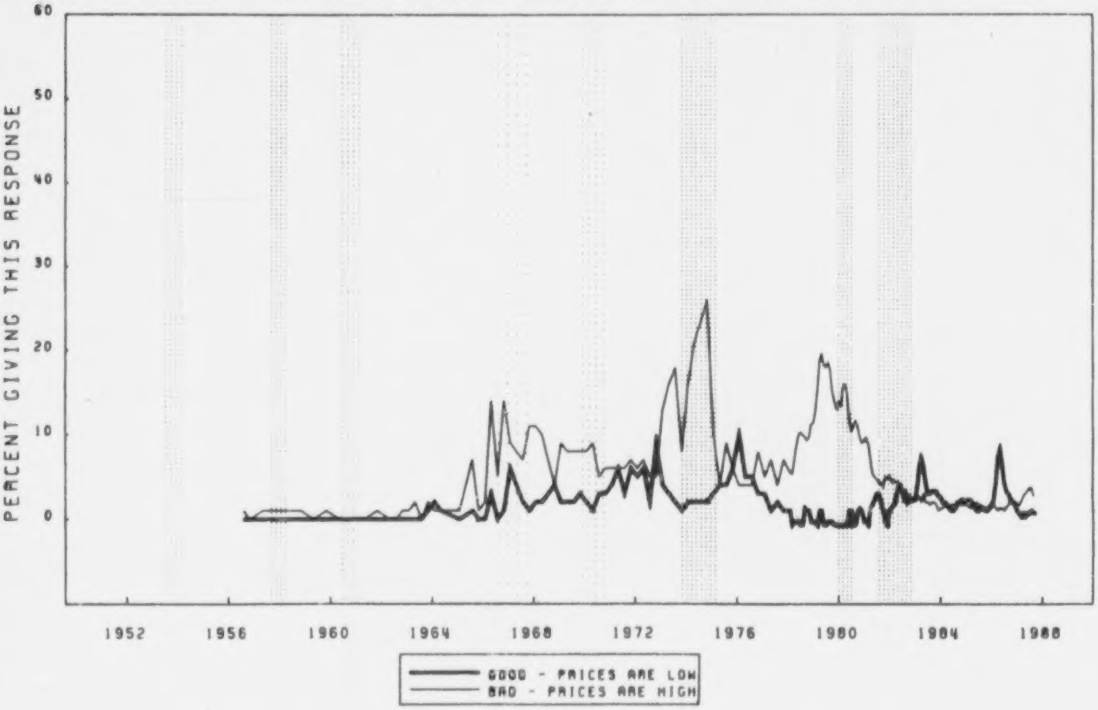


CHART 11B - HISTORICAL SERIES
TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

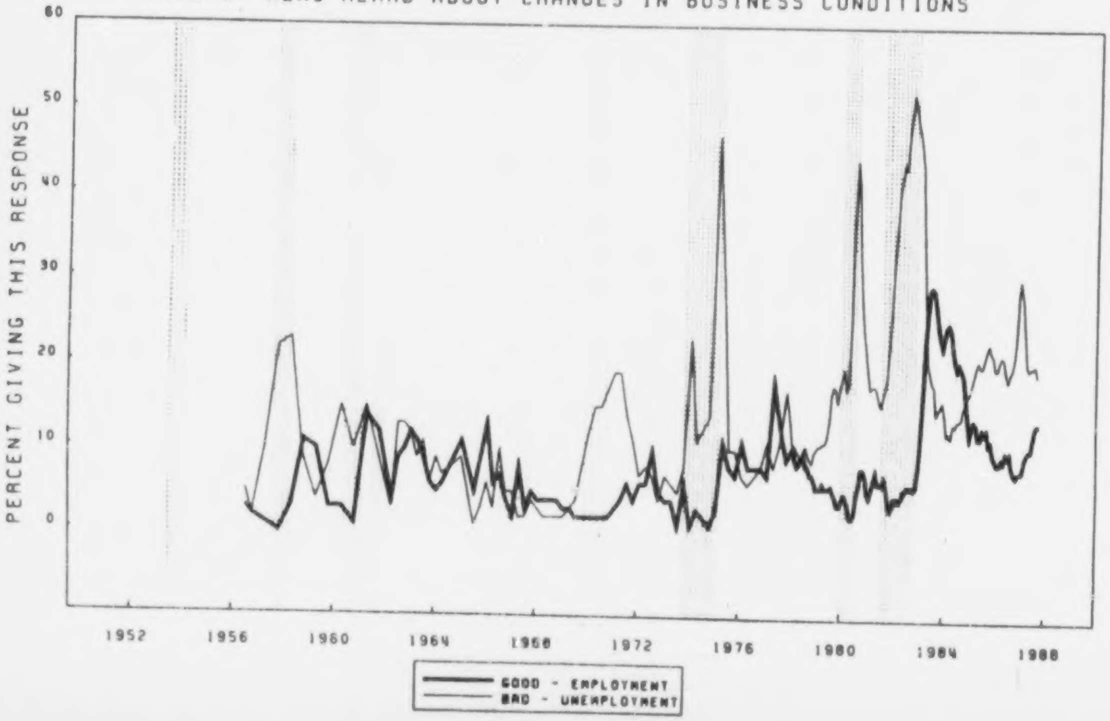


TABLE 11

SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
FAVORABLE NEWS:													
Government; elections	2%	1%	3%	1%	2%	2%	2%	3%	1%	2%	2%	3%	1%
Employment	6	7	9	7	7	10	11	9	11	11	13	15	12
Higher consumer demand	2	3	2	2	3	3	1	1	1	2	*	1	*
Lower prices	2	2	2	1	*	1	*	1	*	1	1	1	*
Easier credit	11	8	5	5	5	6	4	2	3	3	2	1	1
UNFAVORABLE NEWS:													
Government; elections	6	8	6	8	9	5	7	7	7	7	5	5	3
Unemployment	19	23	29	33	29	23	20	18	21	21	18	22	17
Lower consumer demand	1	2	2	4	2	3	2	2	2	3	3	2	1
Higher prices	2	2	1	2	1	2	3	3	3	4	4	3	1
Tighter credit	1	*	1	1	1	1	1	4	6	7	4	2	5
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

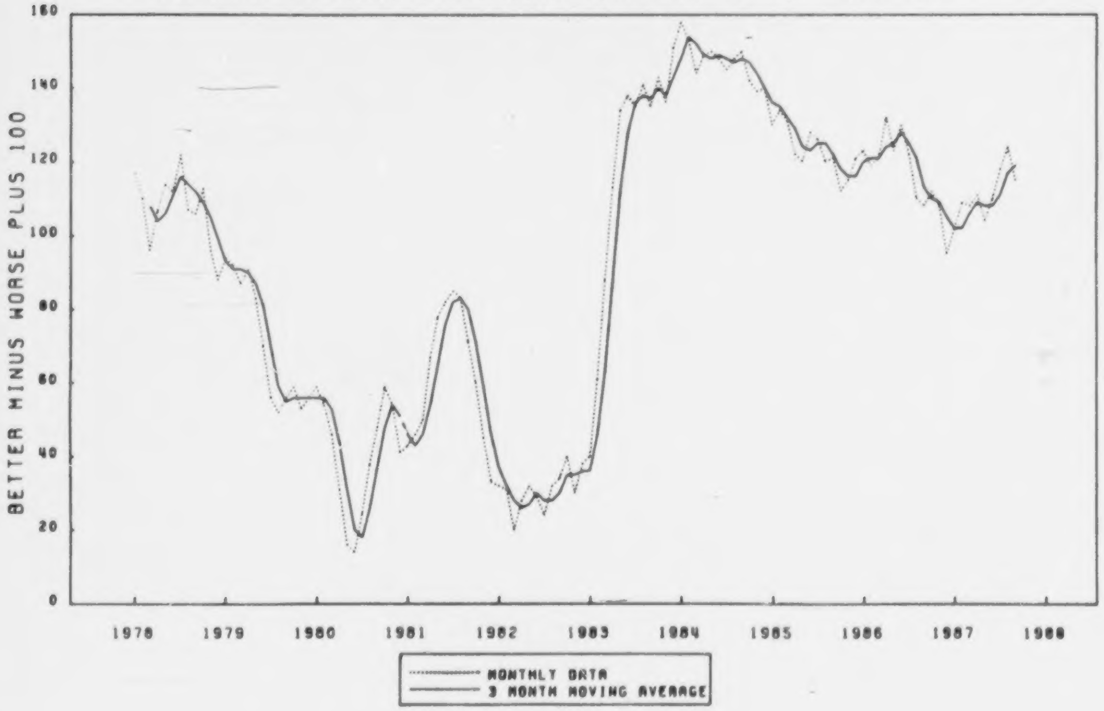


CHART 12 - HISTORICAL SERIES
CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

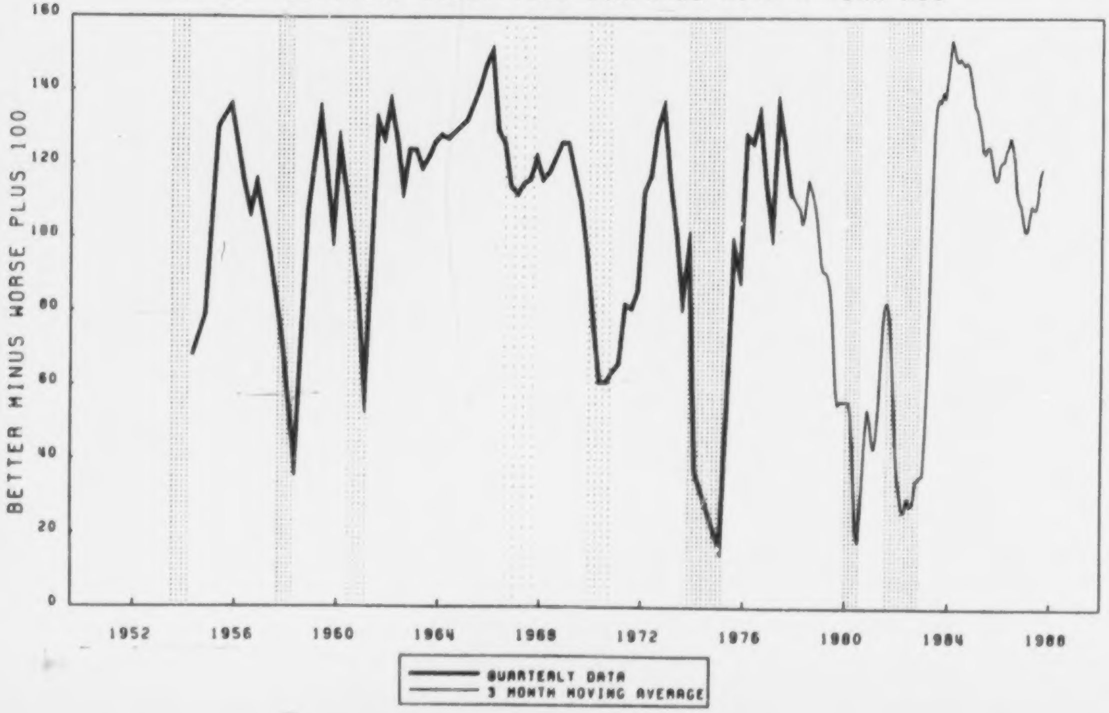


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
BETTER NOW	47%	47%	45%	40%	43%	47%	45%	46%	43%	46%	50%	54%	49%
SAME	13	15	16	13	14	14	17	17	16	16	16	14	14
WORSE NOW	39	35	37	45	41	38	37	35	39	36	32	30	34
DK,NA	1	3	2	2	2	1	1	2	2	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

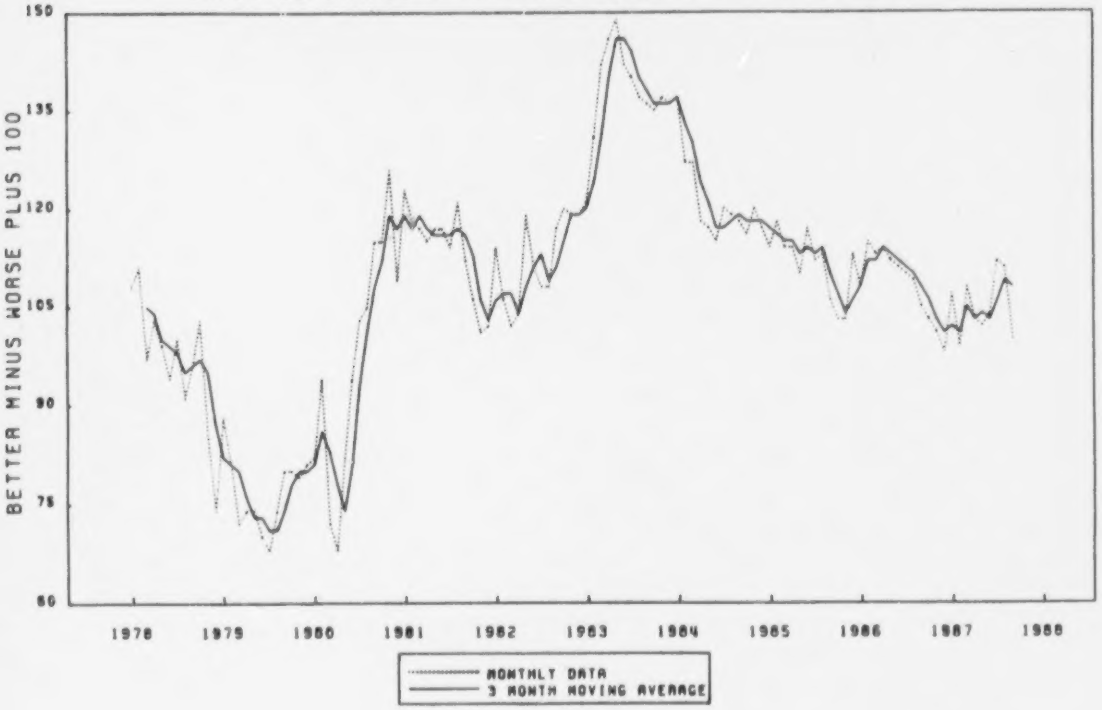


CHART 13 - HISTORICAL SERIES
EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

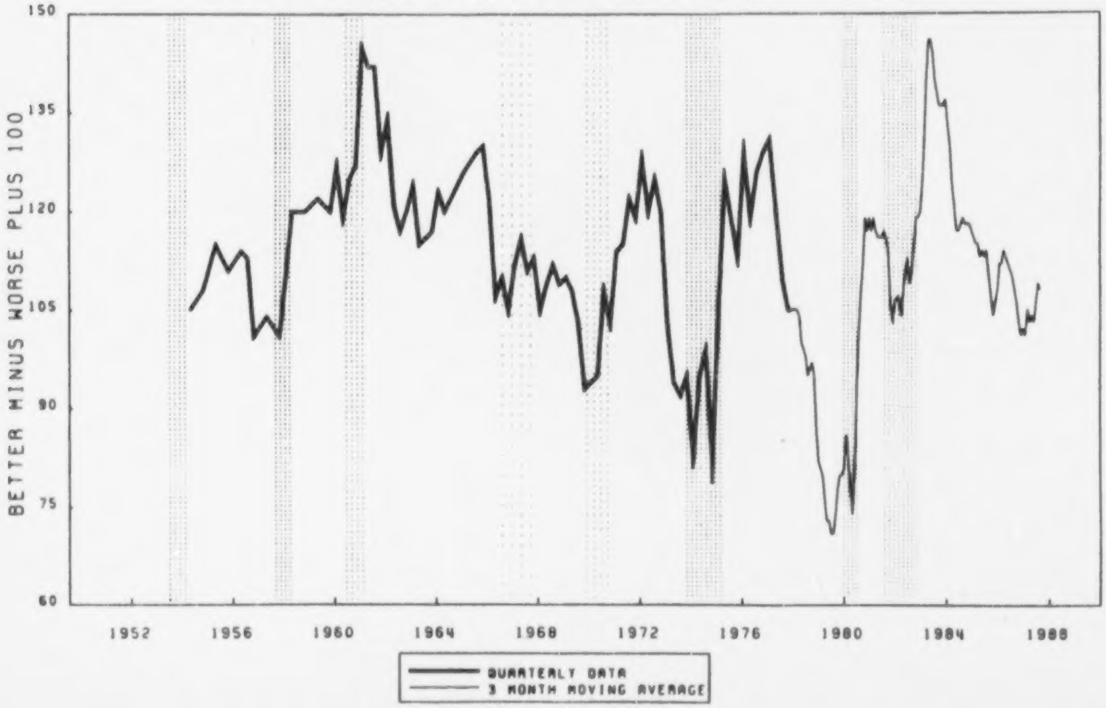


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
BETTER	23%	21%	20%	20%	24%	22%	22%	21%	22%	23%	26%	25%	21%
SAME	55	59	59	56	58	54	61	60	57	57	56	57	58
WORSE	18	18	19	22	17	23	14	18	20	19	14	14	17
DK,NA	4	2	2	2	1	1	3	1	1	1	4	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

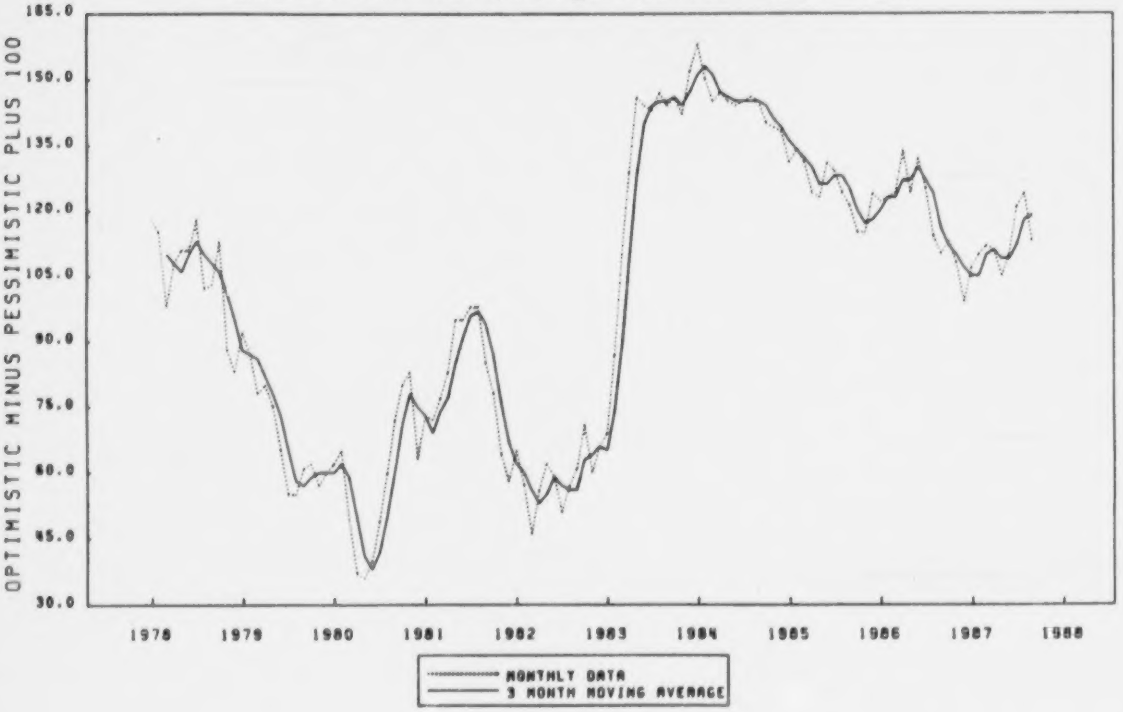


CHART 14 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

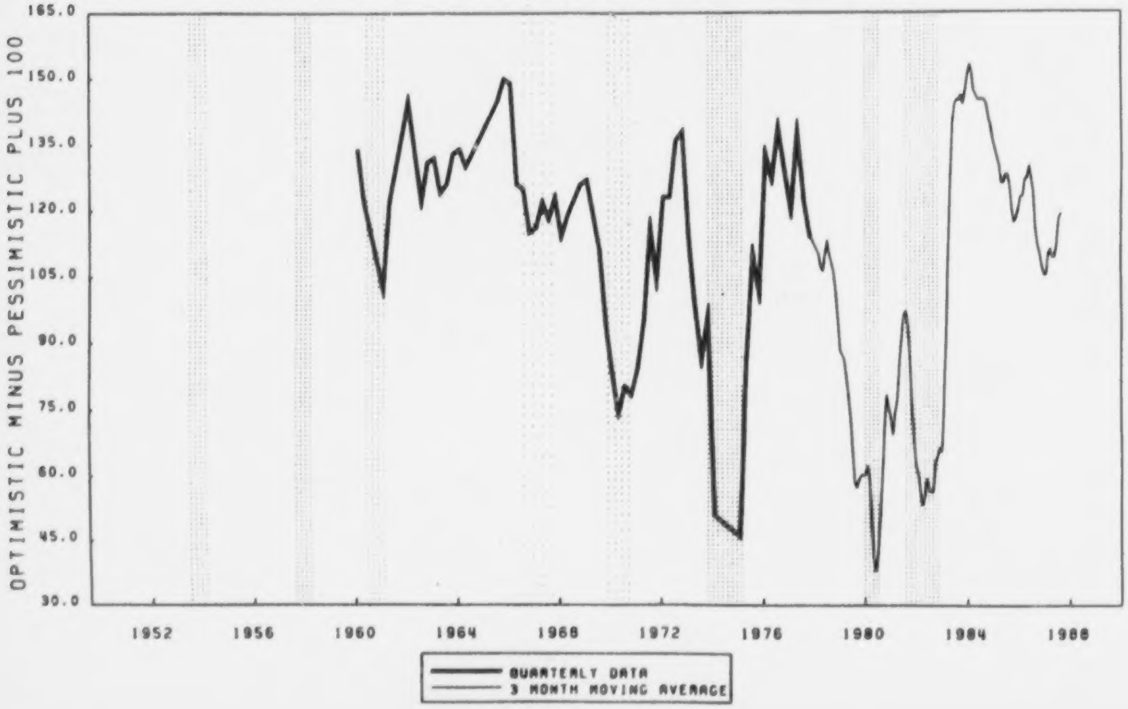


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
TREND:													
Continuous increase (a)	15%	13%	12%	12%	15%	14%	13%	13%	12%	14%	17%	19%	14%
Intermittant increase (b)	29	31	30	27	27	32	32	30	28	28	33	33	32
Remain unchanged (c)	8	10	10	10	10	7	11	11	10	11	9	9	9
Intermittant decline (d)	22	21	23	23	24	21	23	22	24	21	19	20	21
Continuous decline (e)	12	10	11	17	11	15	10	10	11	11	10	8	10
Mixed change (f)	10	11	11	7	10	9	7	10	12	12	7	6	9
DK,NA	4	4	3	4	3	2	4	4	3	3	5	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

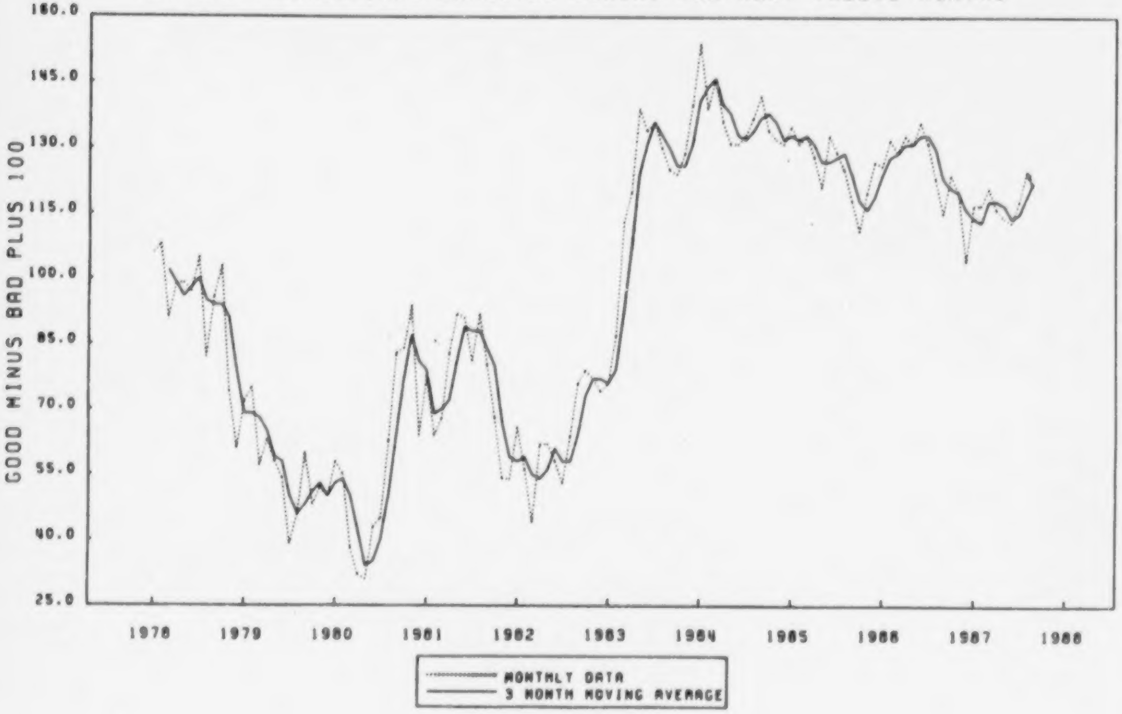


CHART 15 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

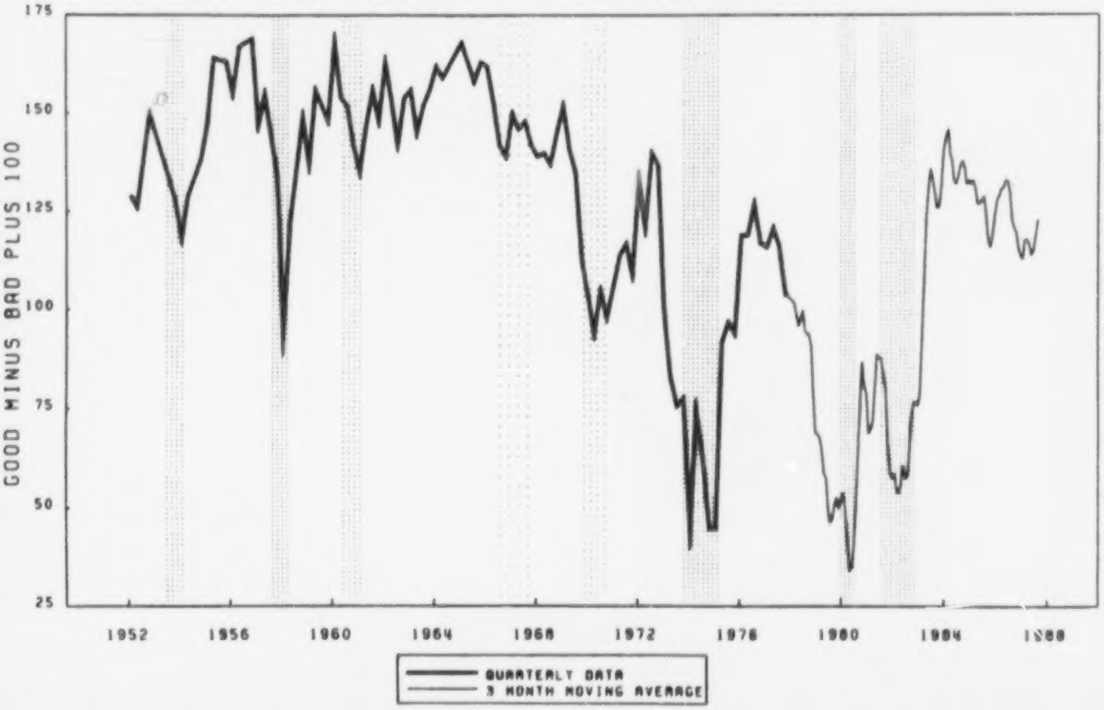


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIMES	50%	55%	53%	45%	53%	53%	55%	51%	51%	50%	51%	55%	51%
UNCERTAIN; GOOD & BAD	3	3	3	2	3	1	2	2	1	2	2	3	5
BAD TIMES	35	31	33	41	36	36	34	35	37	37	33	30	29
DON'T KNOW	8	4	5	5	4	5	5	8	5	5	7	7	7
NOT ASCERTAINED	4	7	6	7	4	5	4	4	6	6	7	5	8
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

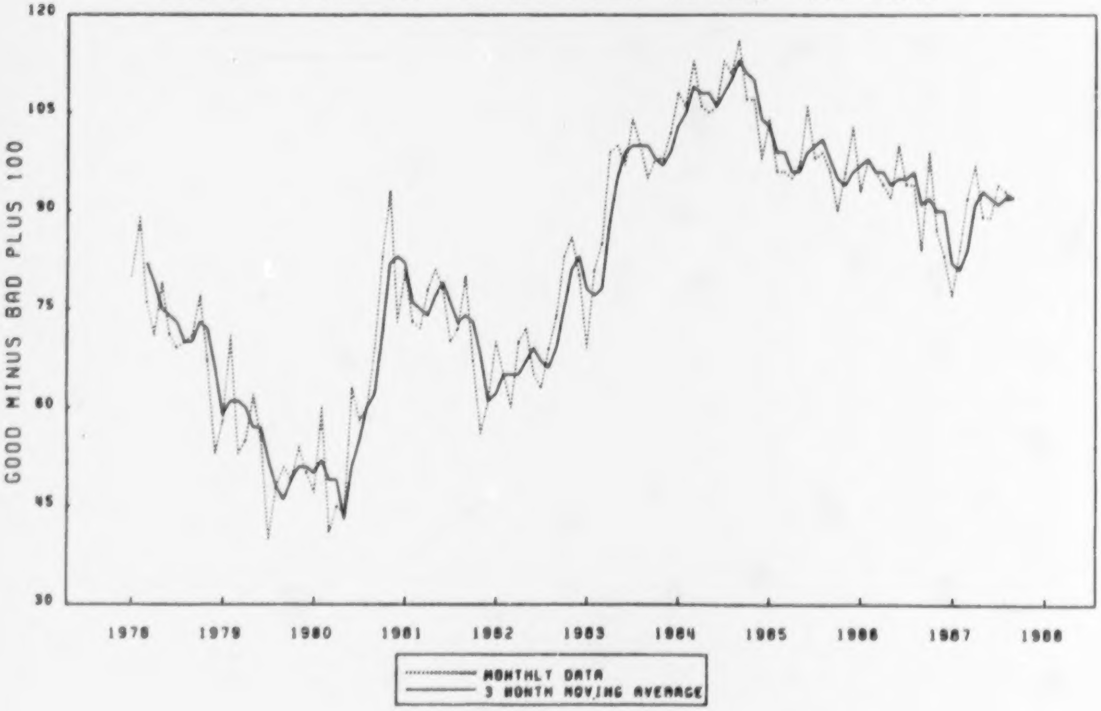


CHART 16 - HISTORICAL SERIES
BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

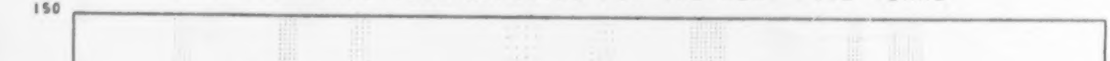


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIMES	33%	41%	35%	33%	30%	34%	39%	41%	36%	37%	36%	36%	37%
UNCERTAIN; GOOD & BAD	11	13	14	13	13	12	10	9	13	9	15	16	13
BAD TIMES	49	42	48	50	53	50	47	44	47	48	42	43	45
NOT ASCERTAINED	7	4	3	4	4	4	4	6	4	6	7	5	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

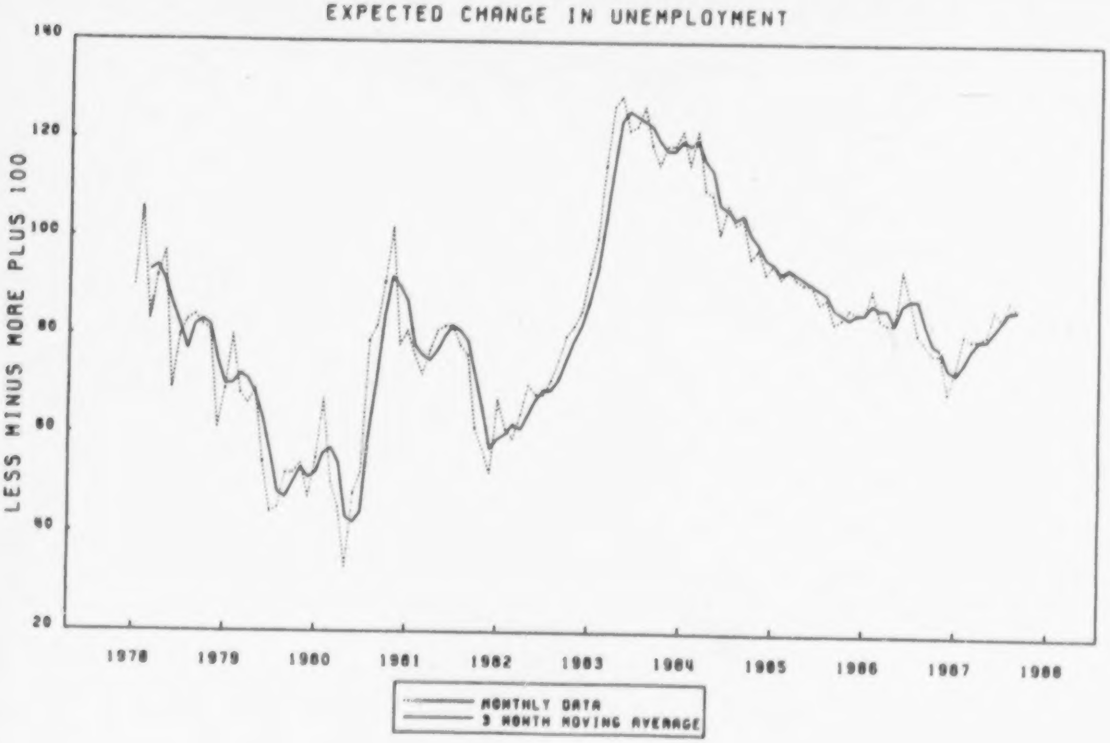


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

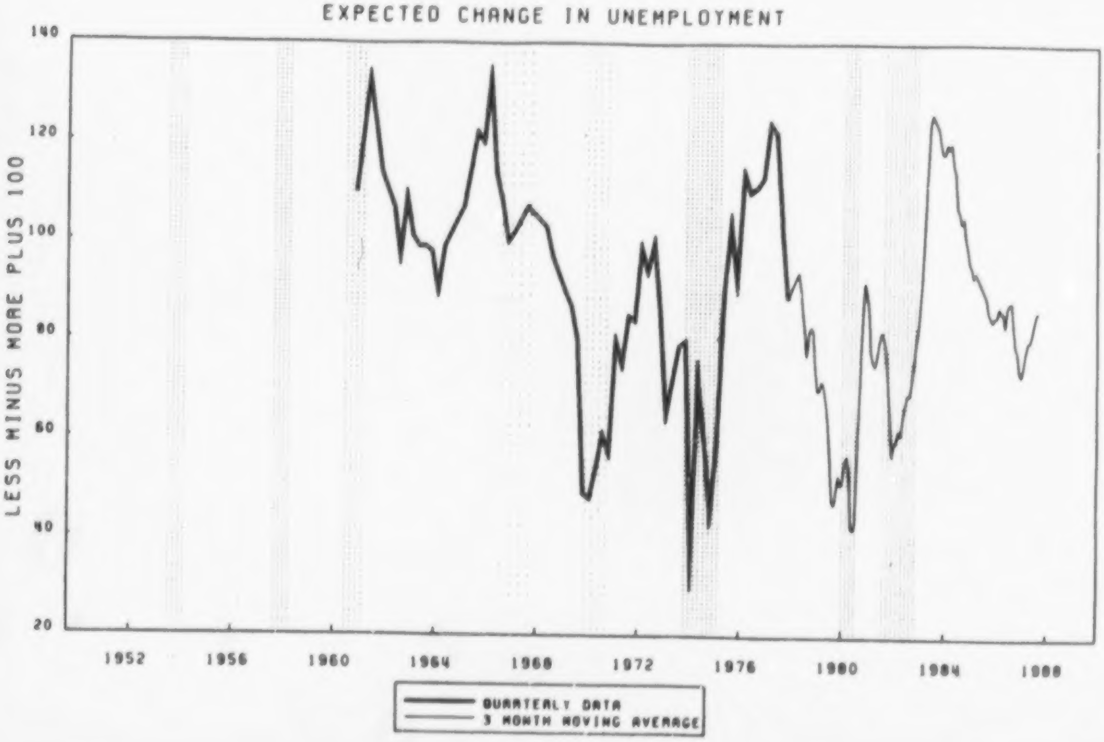


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
LESS	11%	10%	11%	11%	12%	14%	15%	13%	13%	16%	14%	15%	13%
SAME	54	55	54	46	49	52	48	52	53	52	55	56	57
MORE	32	33	34	42	38	33	35	33	32	30	30	27	29
DK,NA	3	2	1	1	1	1	2	2	2	2	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

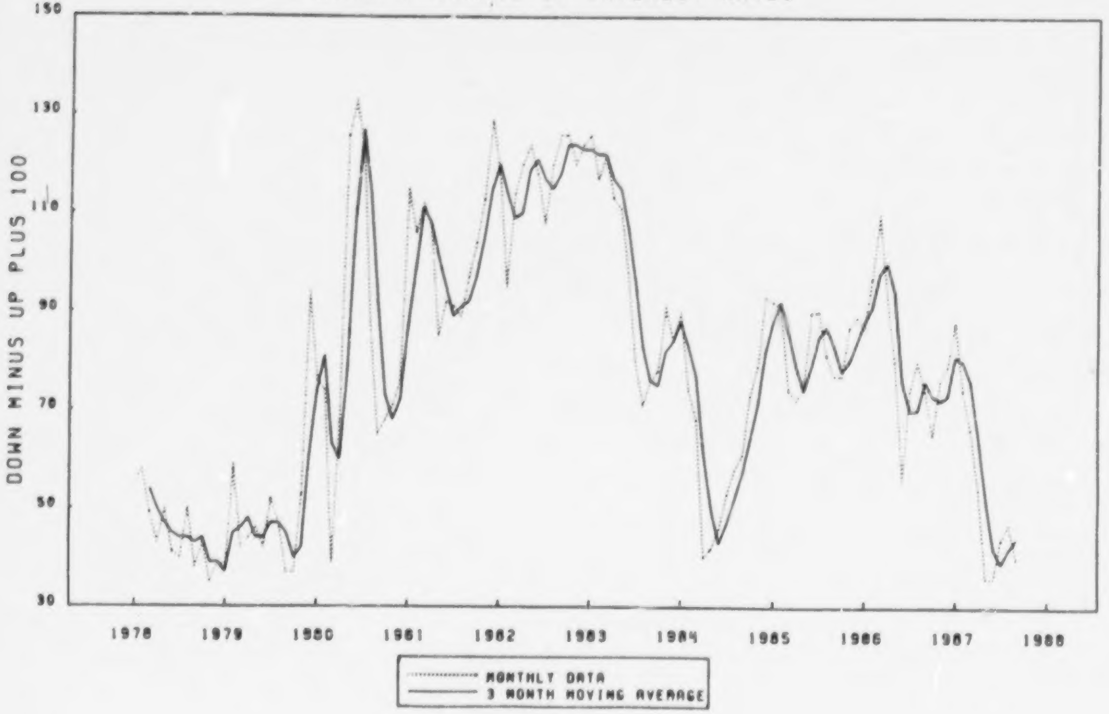


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

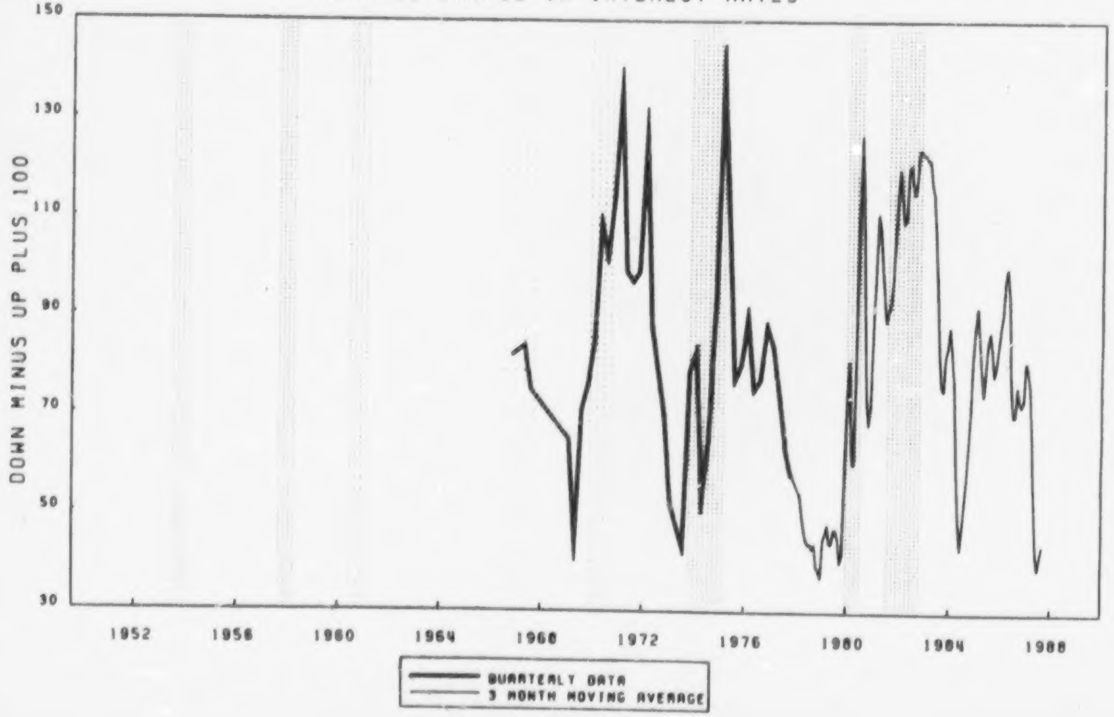


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GO UP	49%	50%	43%	41%	37%	43%	49%	57%	71%	69%	64%	62%	66%
STAY THE SAME	26	33	37	37	35	38	33	29	21	24	26	27	24
GO DOWN	23	15	19	20	25	17	15	11	7	5	8	9	7
DK,NA	2	2	1	2	3	2	3	3	1	2	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

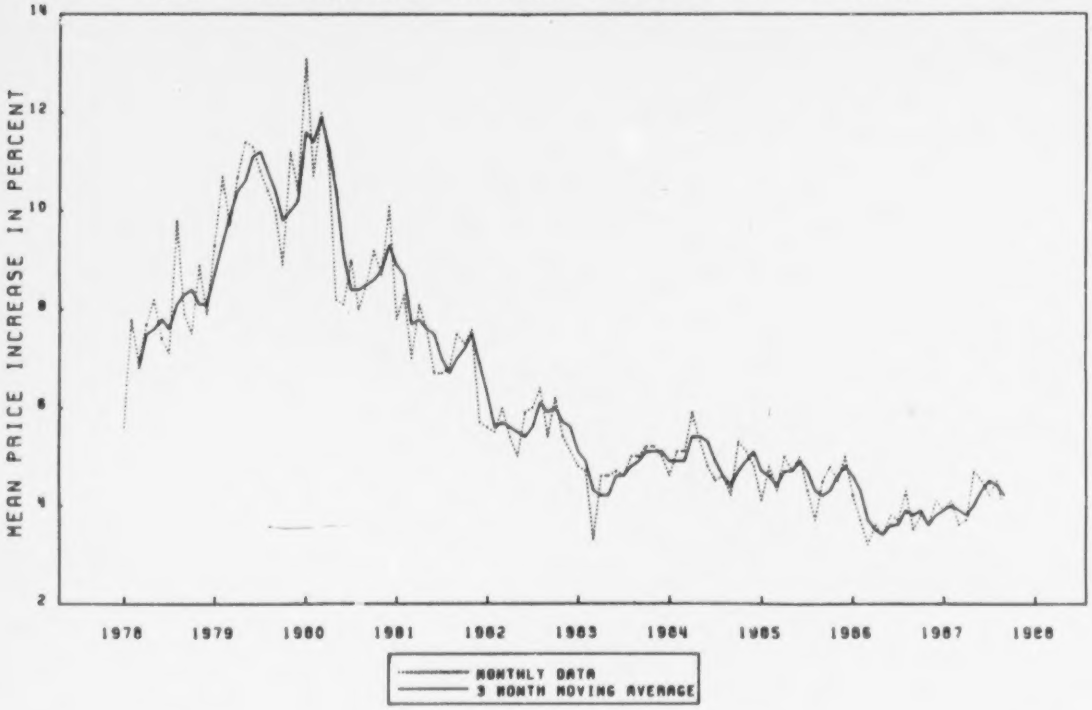


CHART 19 - HISTORICAL SERIES
MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

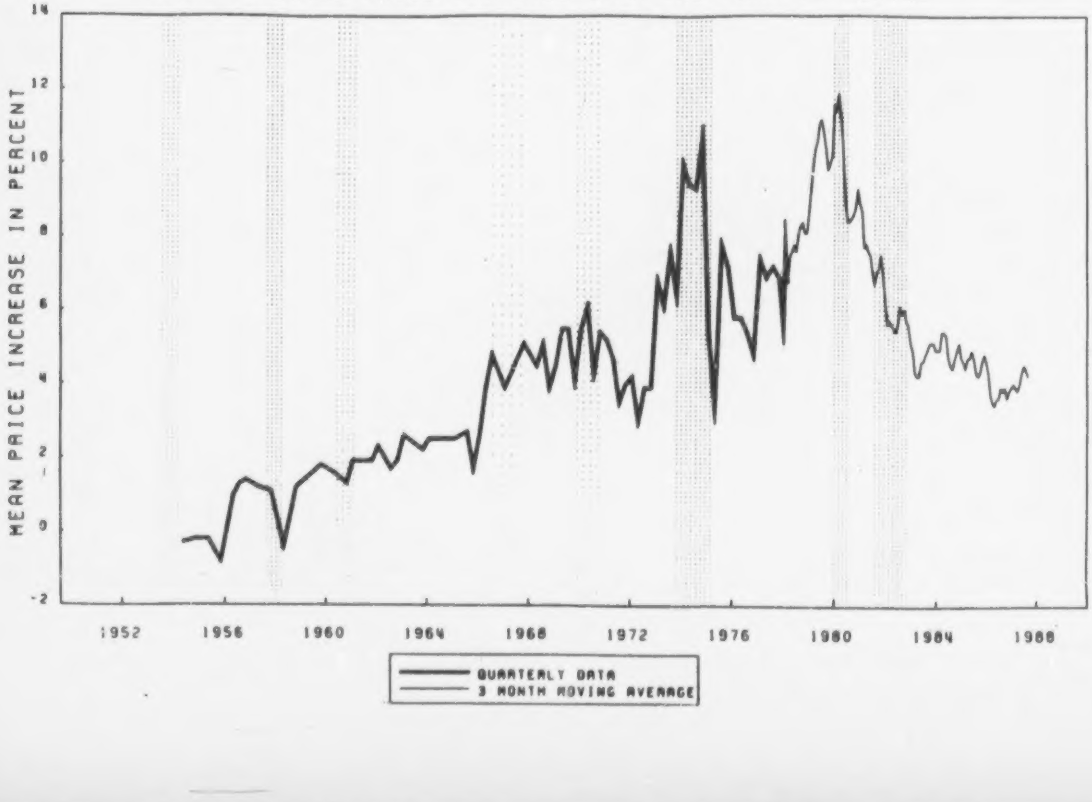


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
SAME OR DOWN	23%	22%	22%	20%	20%	21%	21%	19%	15%	14%	17%	13%	17%
WILL GO UP BY:													
1-2%	18	17	19	18	18	17	19	19	18	18	20	20	20
3-4%	23	19	25	23	24	21	21	23	23	25	23	25	24
5%	16	21	15	17	14	18	18	16	18	17	16	17	16
6-9%	5	5	6	7	6	5	6	8	10	7	7	8	6
10-14%	5	8	7	6	7	9	5	7	7	8	9	6	7
15% or more	3	2	2	4	4	4	3	2	4	4	3	4	3
DK how much up	6	5	3	4	6	5	6	6	4	6	4	6	5
DK,NA	1	1	1	1	1	*	1	*	1	1	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	3.5	3.8	3.6	4.1	3.9	4.1	3.6	3.7	4.7	4.5	4.2	4.5	4.3
VARIANCE	18	17	28	32	25	26	18	21	36	27	28	32	41
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

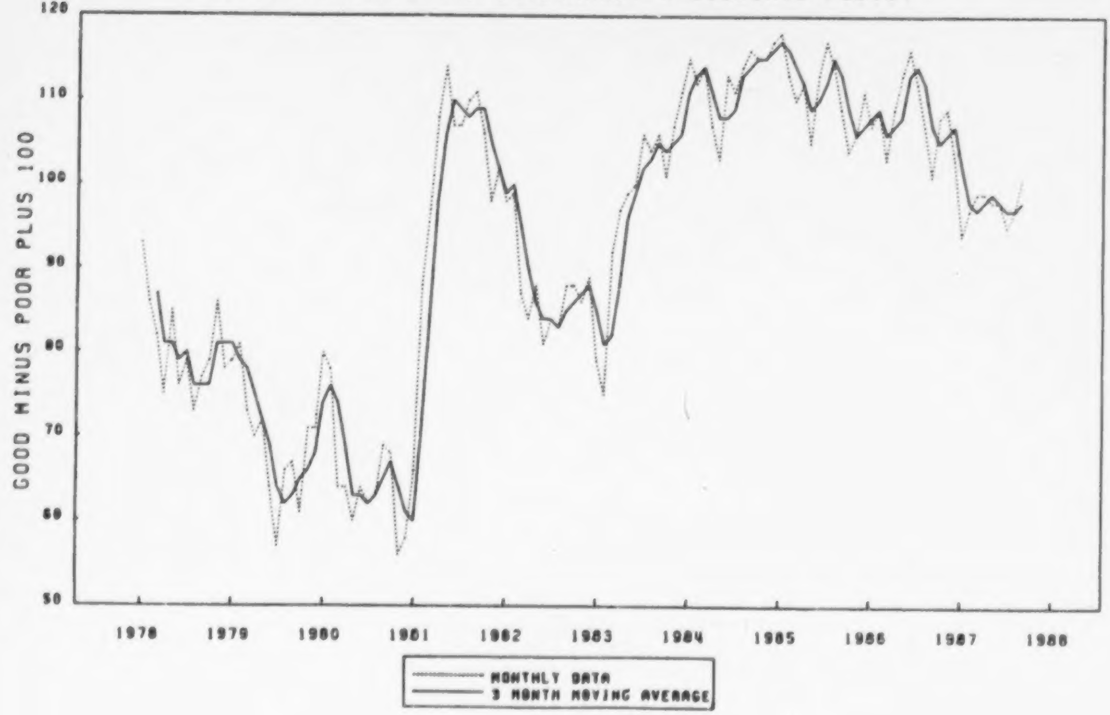


CHART 20 - HISTORICAL SERIES
OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

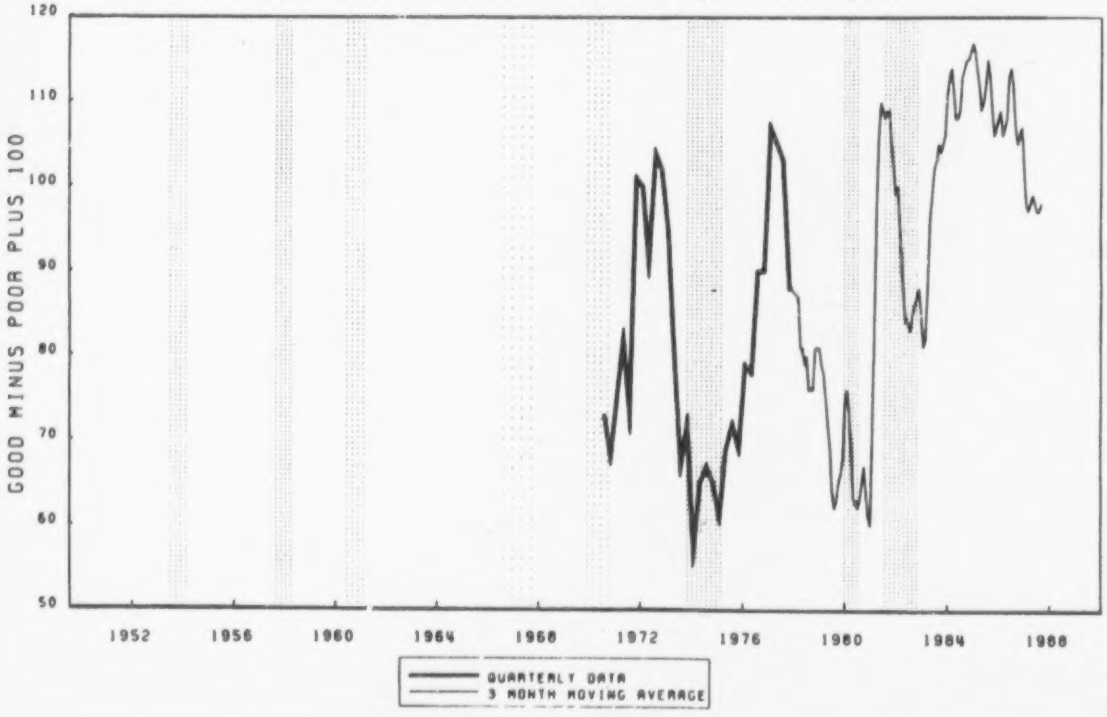


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
A GOOD JOB	22%	27%	28%	26%	20%	23%	23%	21%	21%	23%	21%	23%	23%
ONLY FAIR	54	52	51	49	52	49	52	55	55	49	52	48	54
A POOR JOB	21	19	19	23	26	26	24	22	23	25	26	26	20
DK,NA	3	2	2	2	2	2	1	2	1	3	1	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

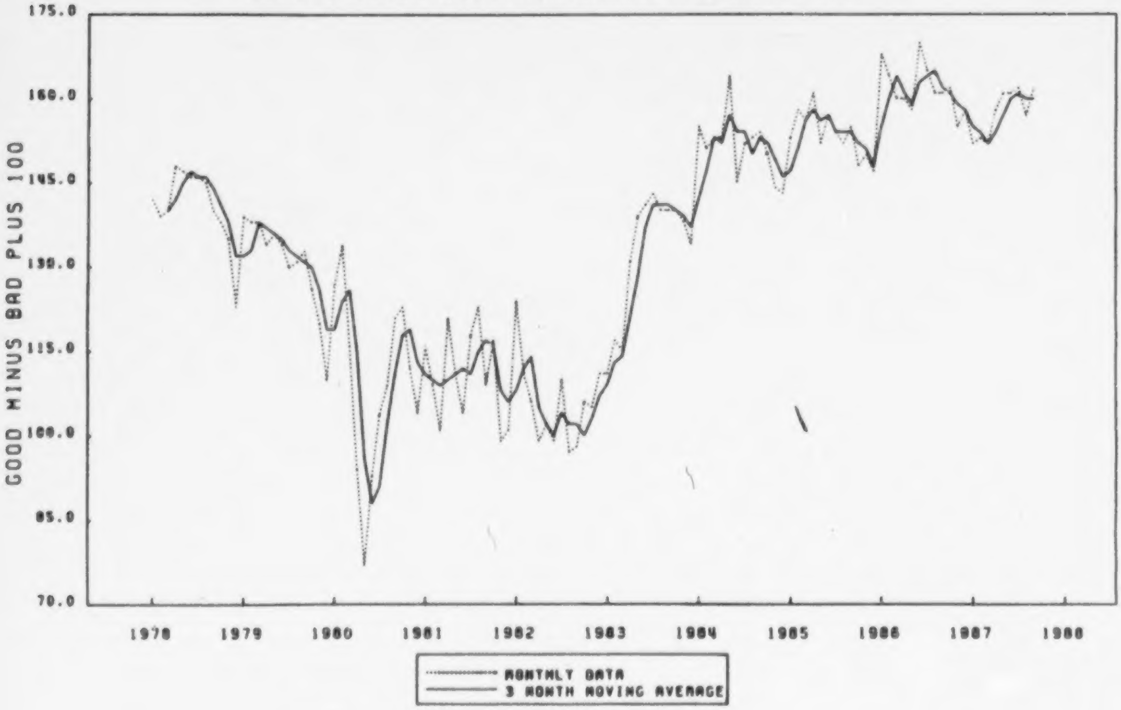


CHART 21 - HISTORICAL SERIES
BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

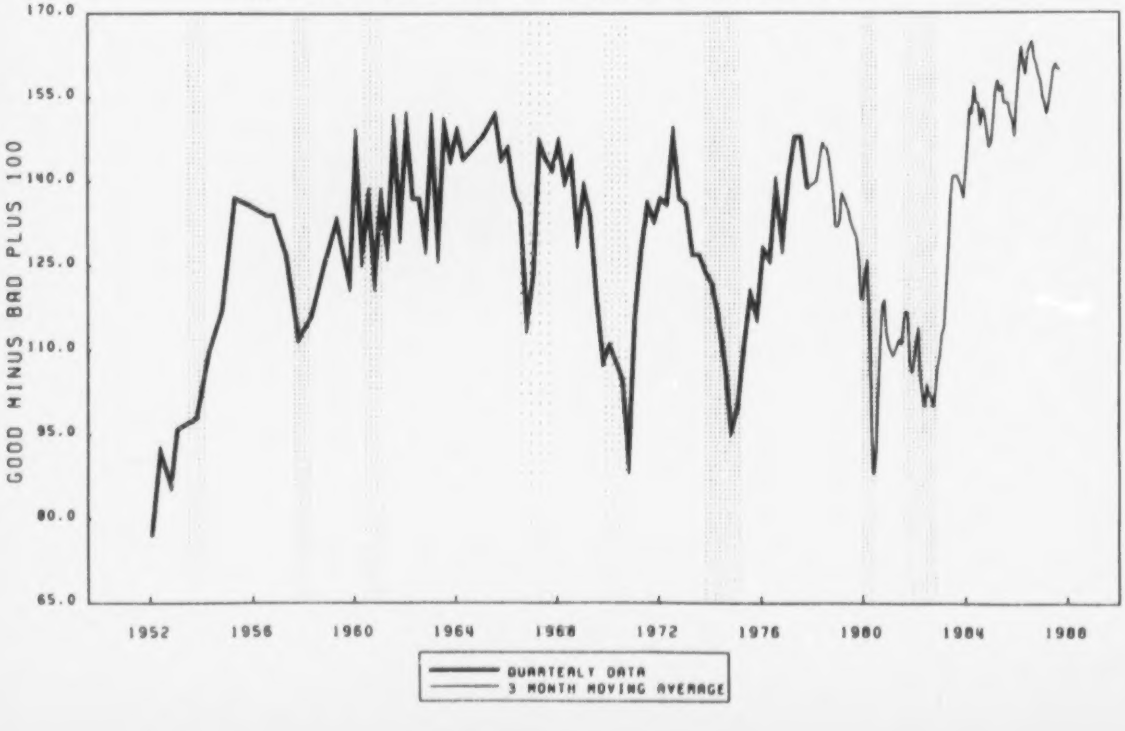


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIME TO BUY	76%	76%	72%	75%	72%	73%	71%	74%	76%	76%	76%	74%	75%
UNCERTAIN, DEPENDS	9	10	11	8	8	7	10	10	9	9	10	9	12
BAD TIME TO BUY	15	14	17	17	20	20	19	16	15	15	14	17	13
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

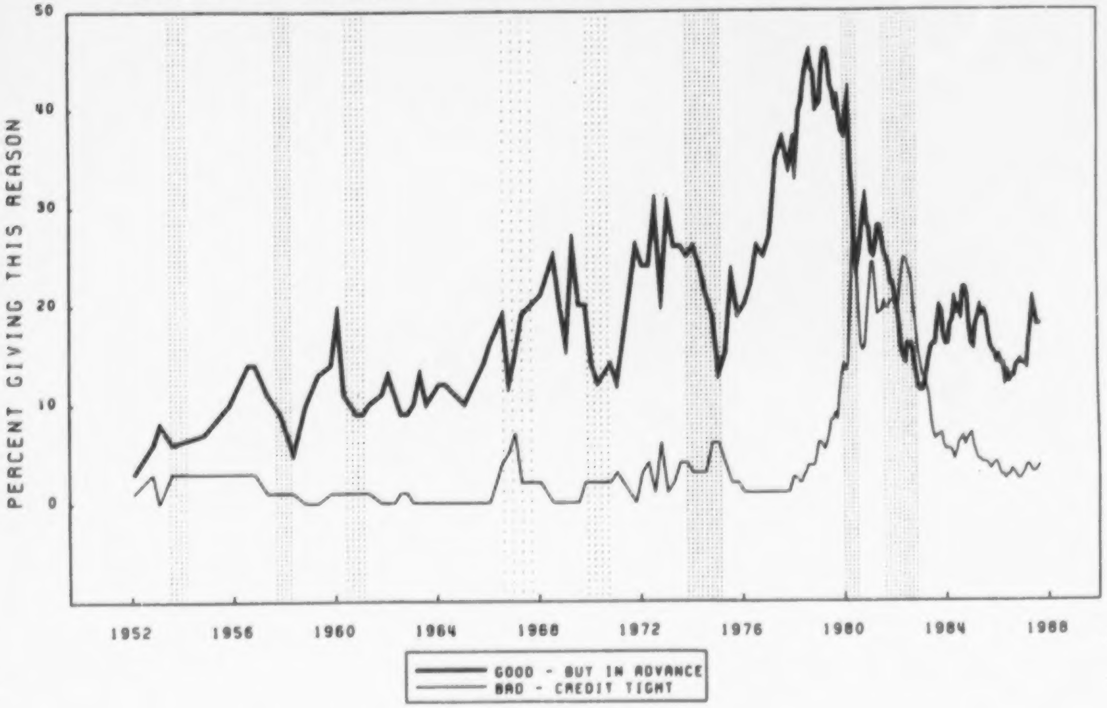


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CHART 22B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

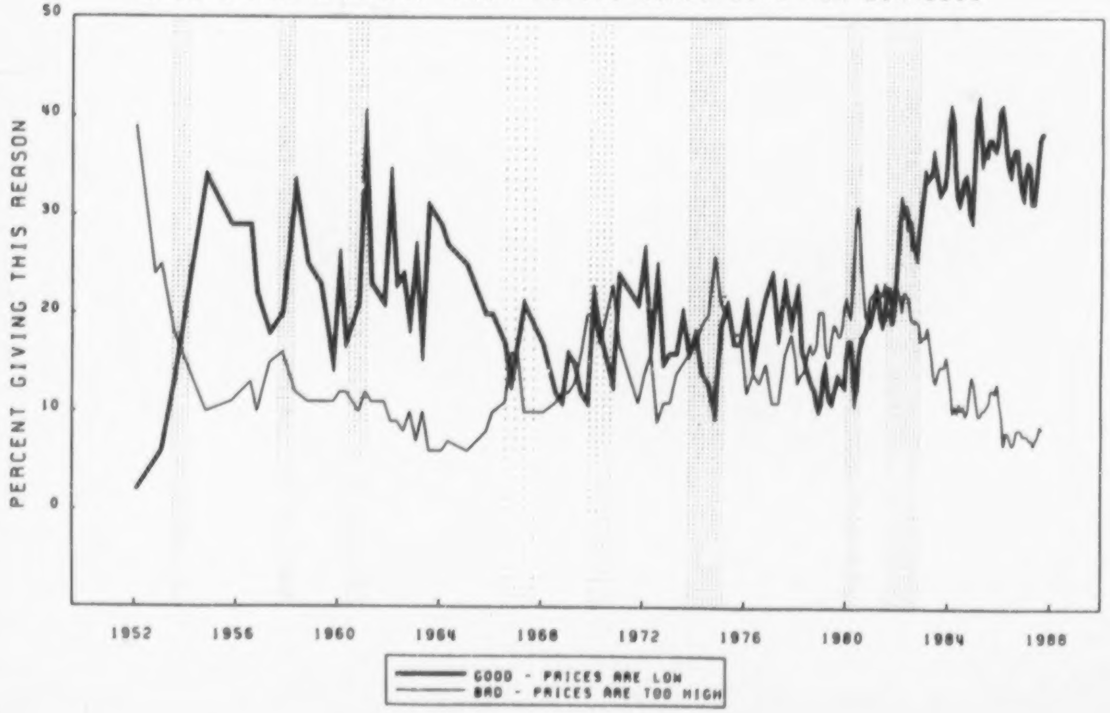


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	35%	33%	30%	33%	40%	33%	32%	29%	33%	38%	37%	38%	37%
Prices won't come down; are going higher	14	14	14	15	13	14	14	20	20	21	17	16	23
Interest rates low; credit is easy	29	26	25	18	20	21	23	21	19	15	13	18	15
BAD TIME TO BUY:													
Prices are high	10	7	8	8	7	8	7	7	6	9	8	9	8
Interest rates are high; credit is tight	2	2	3	2	3	4	4	3	3	3	3	4	4
Lack of purchasing power	8	7	8	6	8	7	8	5	4	6	5	6	3

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

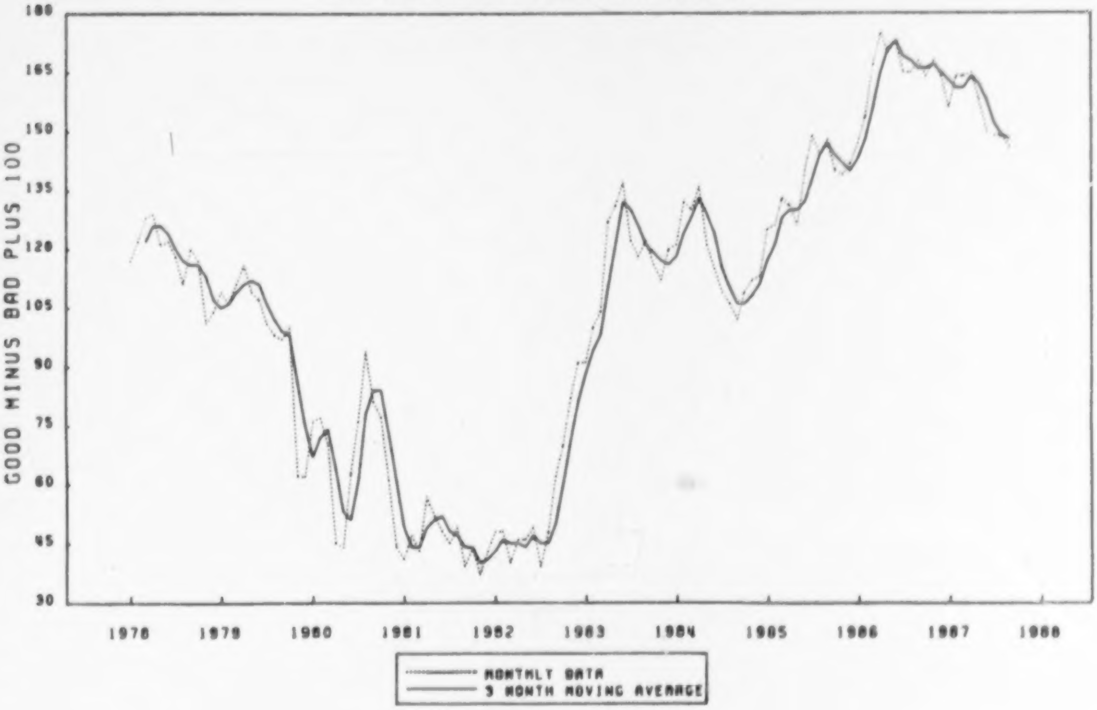


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

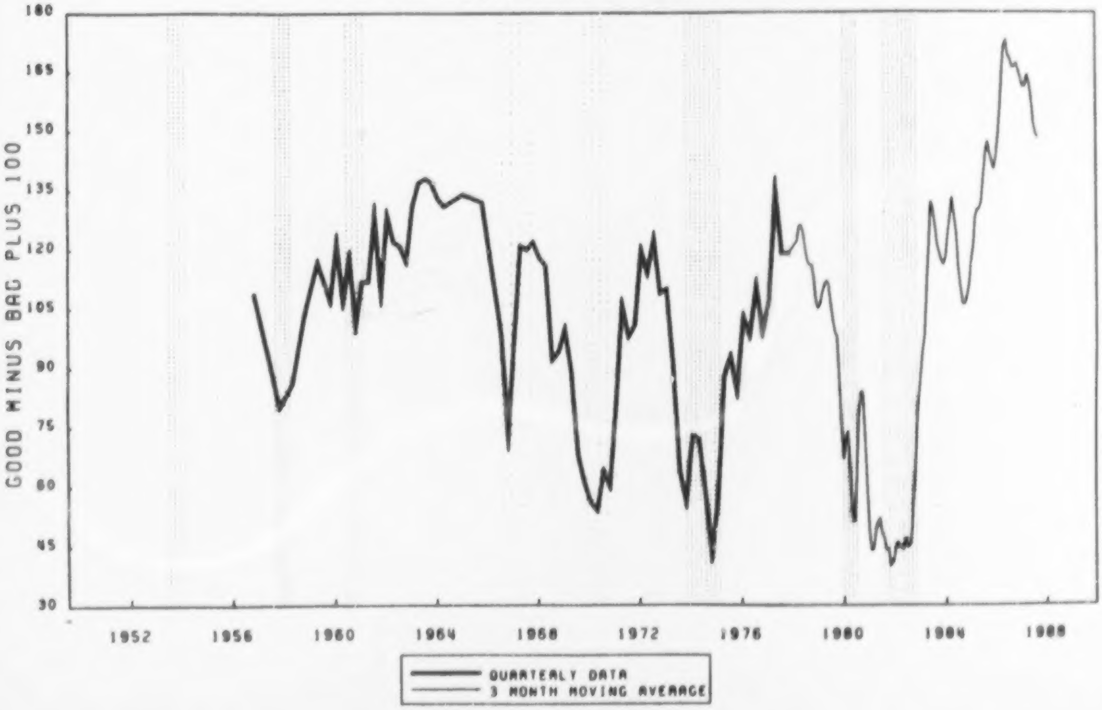


TABLE 23

BUYING CONDITIONS FOR HOUSES

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIME TO BUY	83%	81%	83%	80%	76%	81%	80%	82%	77%	73%	72%	73%	71%
UNCERTAIN, DEPENDS	2	2	2	4	4	2	4	1	4	4	5	3	4
BAD TIME TO BUY	15	17	15	16	20	17	16	17	19	23	23	24	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

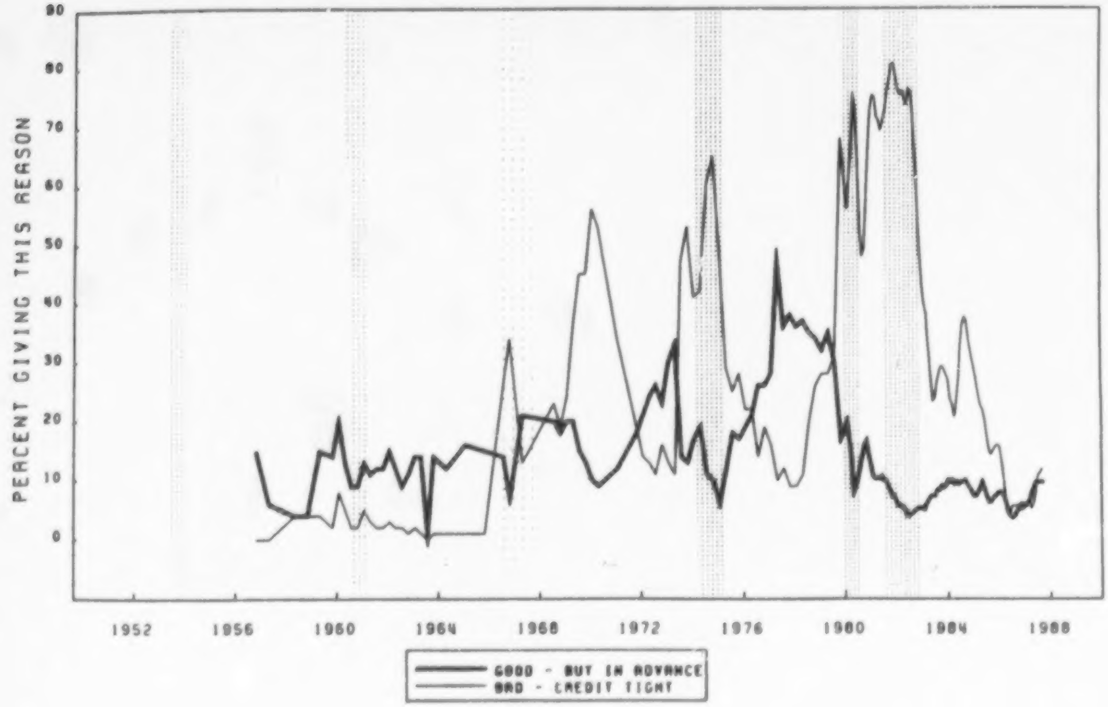


CHART 24B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

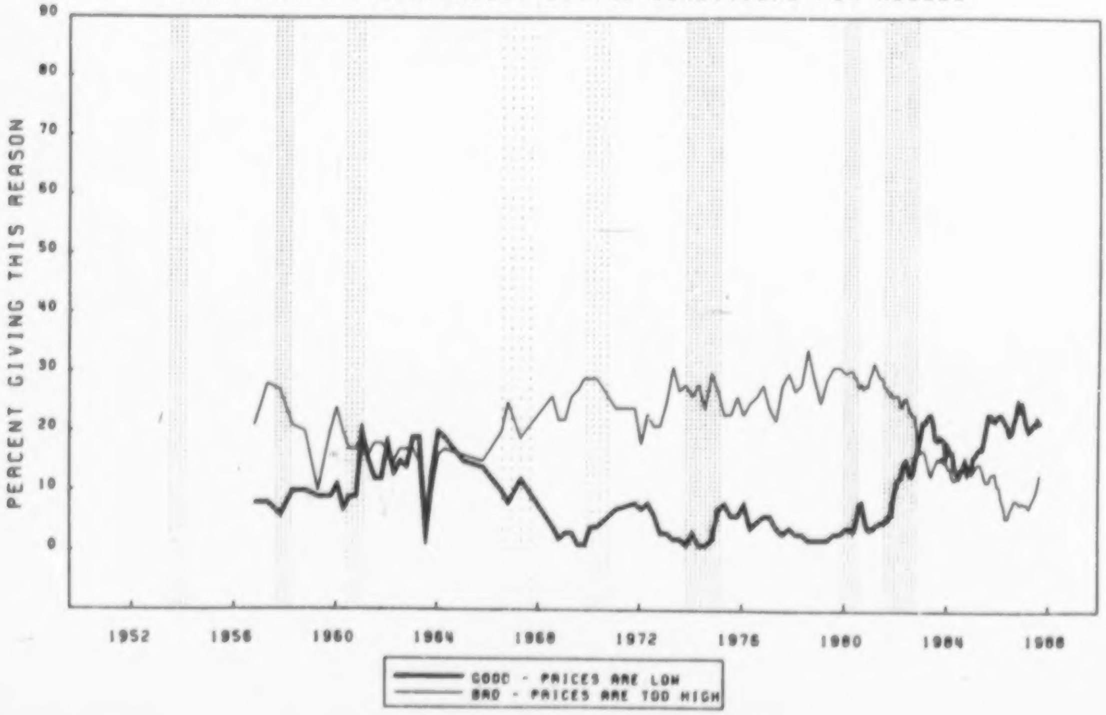


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	22%	27%	23%	24%	21%	19%	21%	22%	21%	21%	25%	19%
Prices won't come down; are going higher	6	6	6	6	5	7	8	9	9	11	9	9	12
Interest rates low; credit is easy	79	75	75	73	69	74	71	71	66	63	59	57	53
Good investment	5	6	5	6	6	3	6	7	5	5	6	7	7
BAD TIME TO BUY:													
Prices are high	9	9	7	8	10	6	8	8	9	10	10	13	13
Interest rates are high; credit is tight	5	5	5	5	7	6	6	4	9	12	12	10	13
Lack of purchasing power	6	8	8	7	9	8	6	8	6	8	5	8	8

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

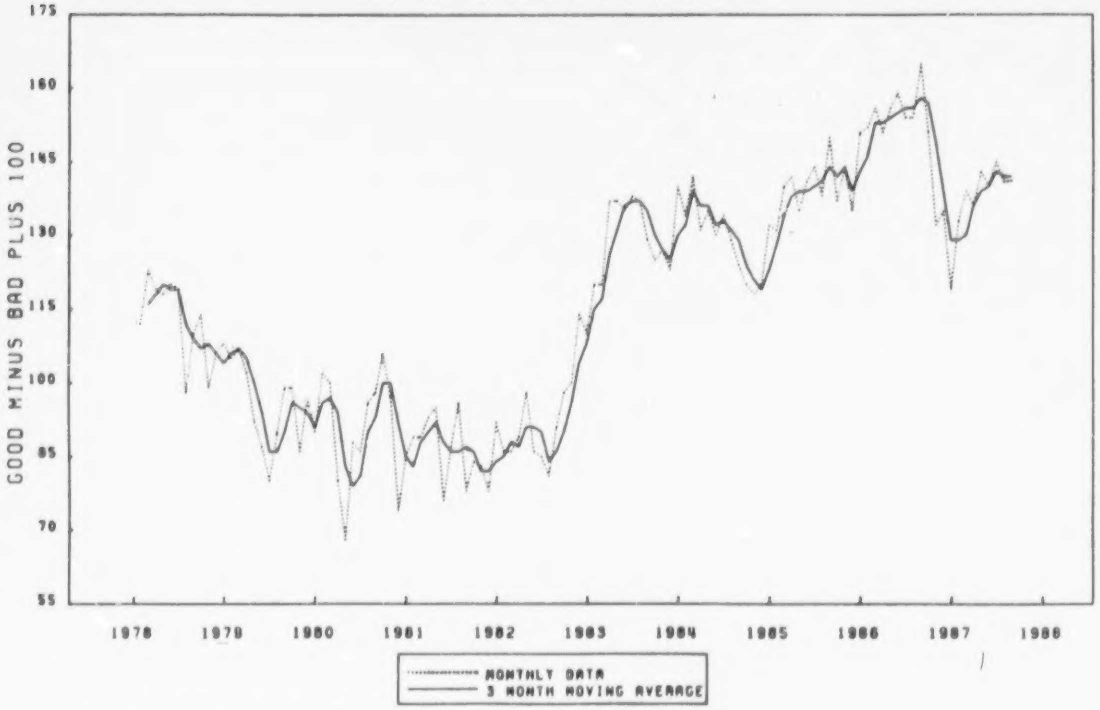


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

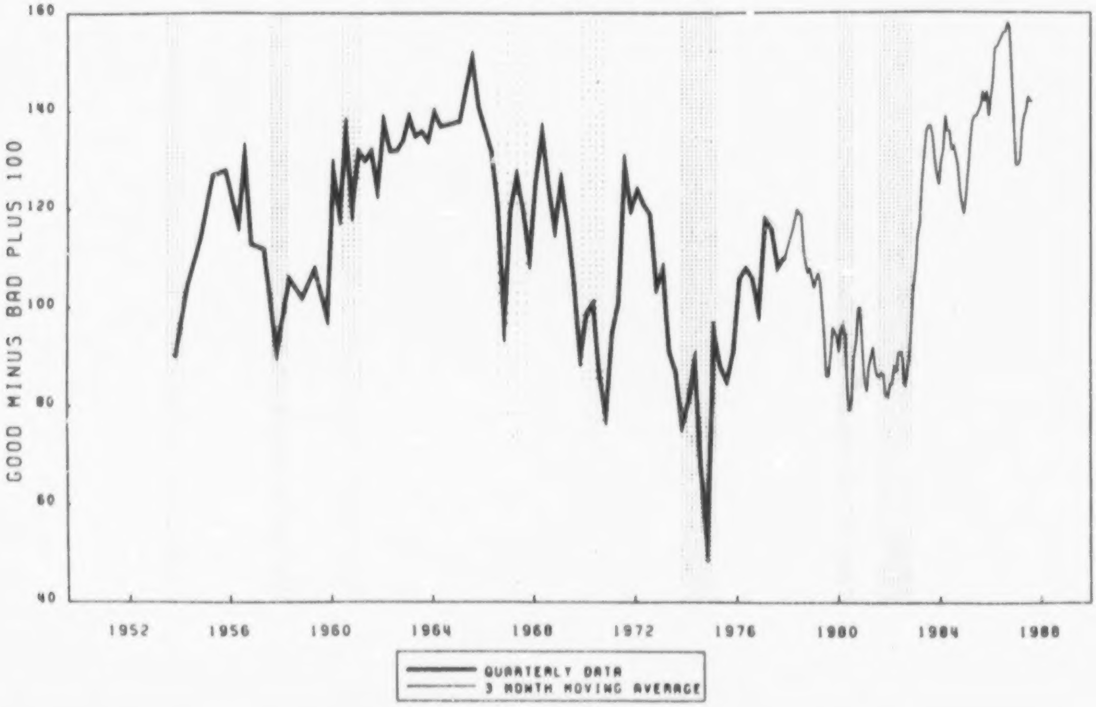


TABLE 25

BUYING CONDITIONS FOR CARS

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIME TO BUY	81%	72%	63%	64%	55%	62%	66%	64%	67%	65%	67%	66%	66%
UNCERTAIN; DEPENDS	3	7	6	7	9	9	7	8	9	10	11	9	9
BAD TIME TO BUY	16	21	31	29	36	29	27	28	24	25	22	25	25
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	659	651	656	653	655	657	652	652	651	654	651	654	650

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

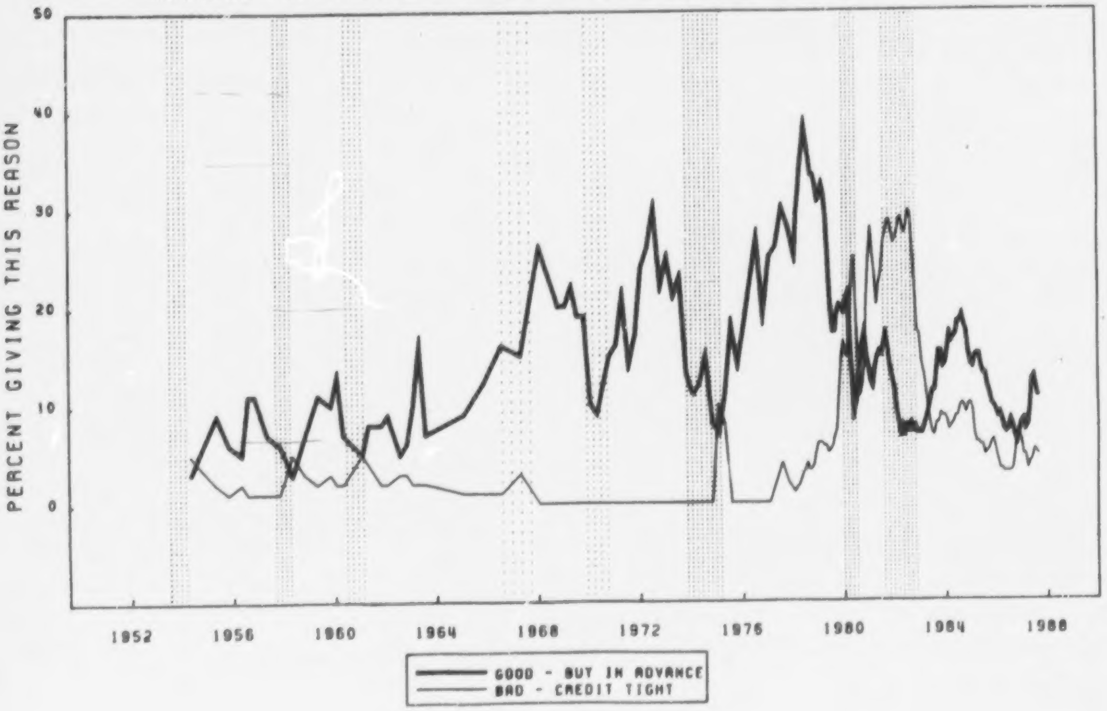


CHART 26B - HISTORICAL SERIES
REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

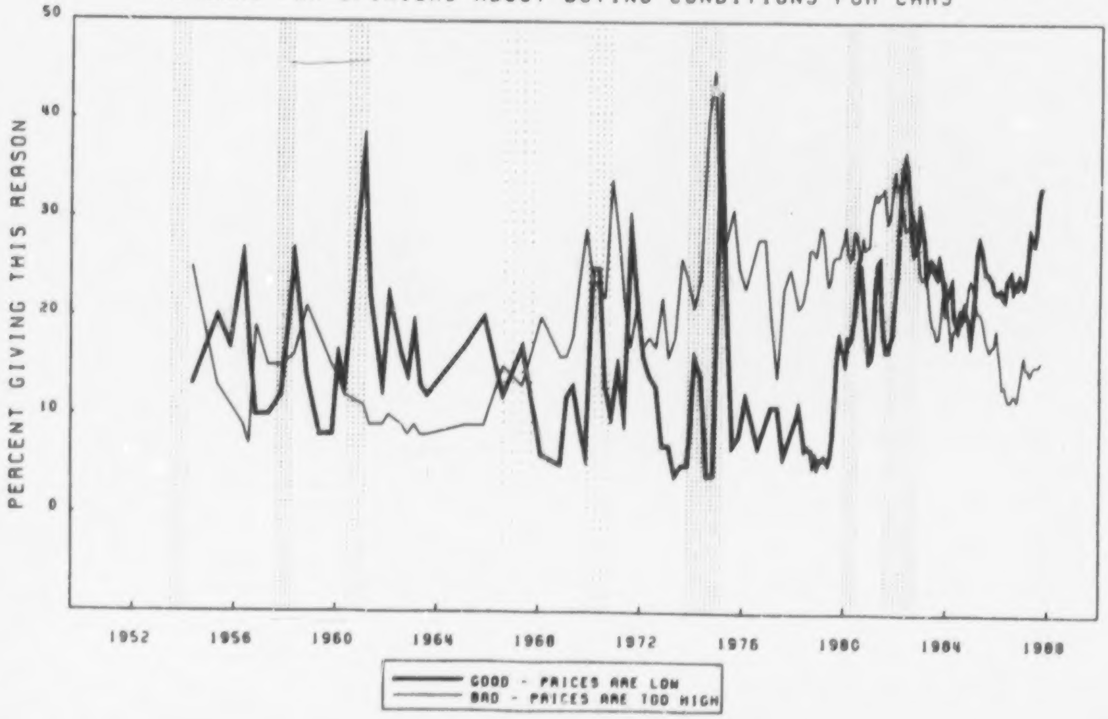


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1986	Oct. 1986	Nov. 1986	Dec. 1986	Jan. 1987	Feb. 1987	Mar. 1987	Apr. 1987	May 1987	June 1987	July 1987	Aug. 1987	Sept 1987
GOOD TIME TO BUY:													
Prices are low; good buys available	25%	22%	26%	23%	21%	29%	29%	28%	27%	28%	32%	36%	29%
Prices won't come down; are going higher	6	5	7	9	8	8	6	9	13	15	10	10	15
Interest rates low; credit is easy	73	58	43	45	34	38	44	40	40	38	30	37	40
New fuel efficient models	*	*	*	*	1	*	*	1	*	1	1	*	*
BAD TIME TO BUY:													
Prices are high	11	12	17	15	17	13	15	15	15	16	15	15	16
Interest rates are high; credit is tight	4	8	9	4	6	4	4	2	6	5	5	5	4
Lack of purchasing power	2	2	4	4	6	6	5	5	5	4	4	3	4
Price of gas; shortages	*	*	*	*	*	*	*	*	*	*	1	1	1
Poor selection; quality	1	1	2	2	2	2	2	3	3	2	3	5	4

Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

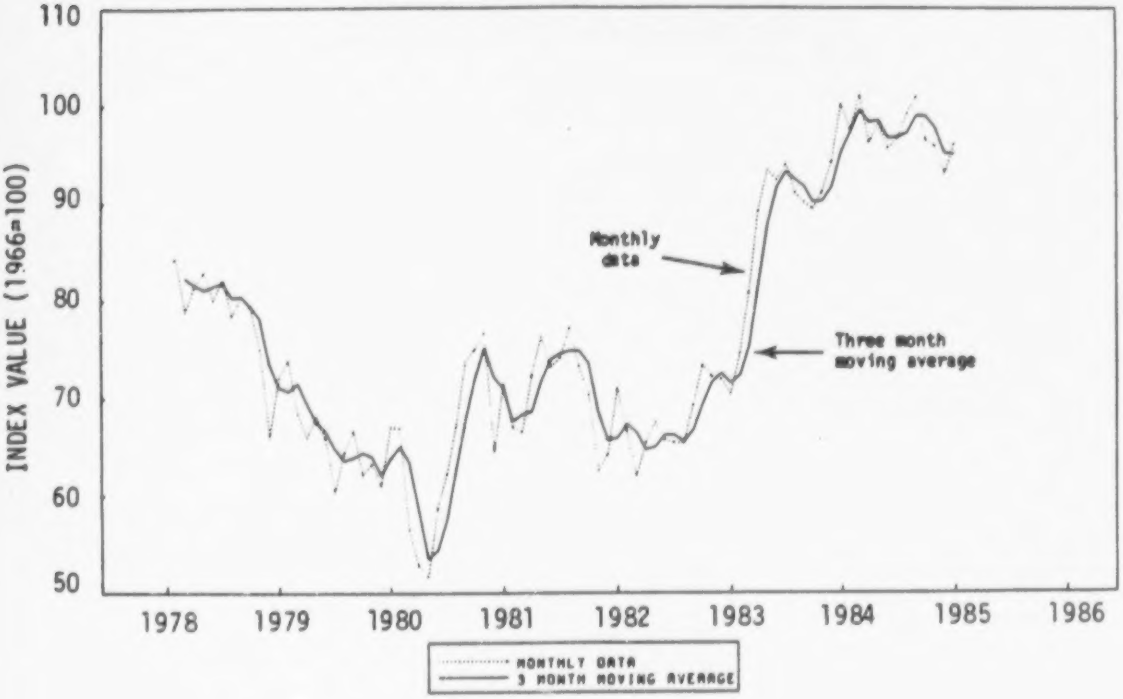
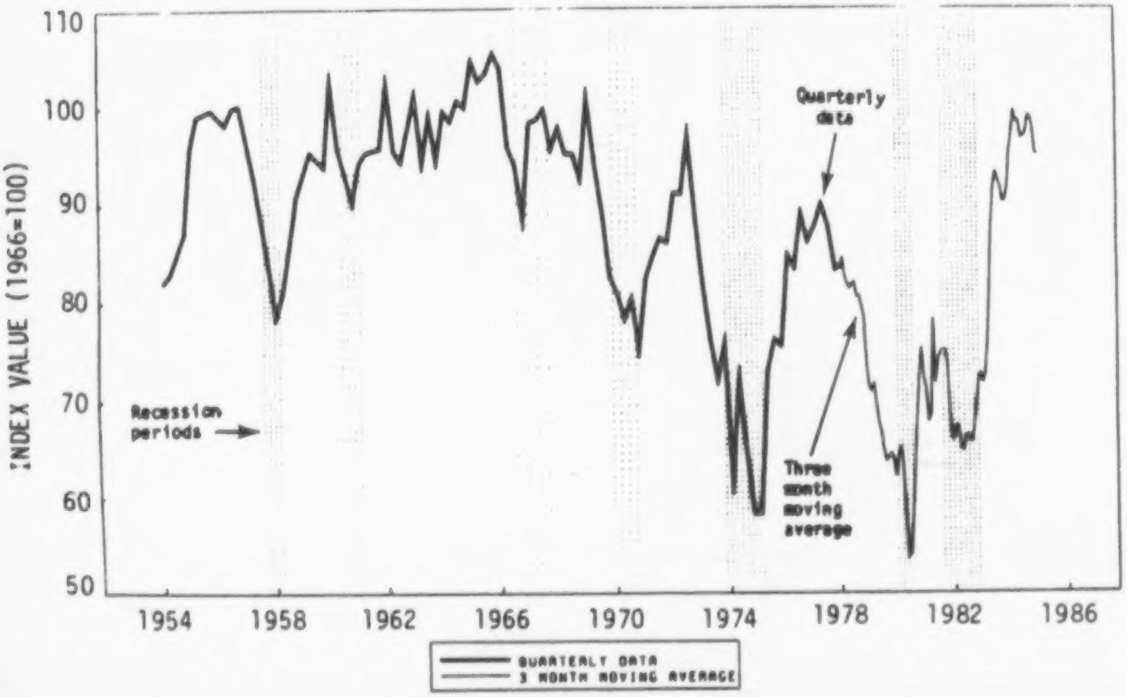


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES: November 1948 - October 1949
July 1953 - May 1954
August 1957 - April 1958
April 1960 - February 1961
June 1966 - November 1967*
December 1969 - November 1970
November 1973 - March 1975
January 1980 - July 1980
July 1981 - November 1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

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[a] The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b] Average size of monthly surveys.

[c] Average size of two monthly surveys.

[d] Average size of three monthly surveys (one quarter).